WILL GROUP, INC. | 6089 (TSE Prime)

Company Report

May 21, 2025

Strategy Advisors Inc.
Executive Officer
Kenichi Ito

President Sumi Will Leverage His Proven Leadership to Spearhead the Restructuring of Overseas Operations to Drive Performance

For FY3/2025 (Results Date: May 12), the Company reported ¥139.70 billion in sales revenue, +1.1% YoY and operating profit of ¥2.33 billion, -48.3% YoY. Excluding one-off items (loss on sale of subsidiary shares and deconsolidation impacts), underlying operating profit rose 22.0%, led by robust performance in the 'Domestic Working Business' led by construction engineering.

In construction engineering, profit contributions exceeded initial expectations by ¥780 million, propelling it to become the Company's largest earnings driver. Recruitment headcount also outpaced plans with 1,704 hires versus a target of 1,200, which underscores management's successful talent strategy. Conversely, the 'Overseas Working Business' generated ¥450 million of incremental profit from favourable foreign-exchange movements and subsidy income; but a decline in high-margin recruitment services reduced its gross profit by ¥700 million, resulting in a 26.4% drop in segment profit and highlighting areas for operational improvement.

Looking ahead to FY3/2026, the Company forecasts a slight decline in sales and a 10.4% increase in operating profit (on an underlying basis), with double-digit profit growth expected to be driven primarily by the 'Domestic Working Business'. The 'Overseas Working Business' is projected to secure modest profit gains despite lower sales, reflecting management's focus on margin enhancement. President Sumi plans to personally spearhead the turnaround of the Overseas Business, marking a critical test of his leadership since assuming the presidency.

The stock has traded around ¥1,000, supported by its dividend yield. Strategy Advisors views the 'Domestic Working Business' as firmly back on a growth trajectory but believes that a decisive recovery in the 'Overseas Working Business' is essential for a sustained re-rating of the share price. In addition to continuing performance-based restructuring in the 2025 fiscal term, the Company will implement cost-reduction measures and streamline its order system across the Australian subsidiary, initiatives that will be closely watched as the Company positions itself for high growth from FY3/2027 onwards.

Stock Price & Trading Volumes (Past 1-Year)

Source: Strategy Advisors

Key Indicators

Stock Price (5/16)	925
Year-to-Date High (3/6/25)	1,025
Year-to-Date Low (4/7/25)	835
10-Year High (2/2/18)	2,139
10-Year Low (5/21/14)	184
Shares on Issue (mn)	22.9
Market Capitalization (¥ bn)	21.2
EV (¥bn)	21.4
Equity Ratio (FY3/25 Actual, %)	34.8
PER (FY3/26 CoE, Times)	13.5
PBR (FY3/25 Actual, Times)	1. 2
Yield (FY3/26 CoE, %)	4.8

Source: Strategy Advisors

IFRS Consolidated

FY End	Sales (¥ mn)	YoY Change (%)	OP (¥ mn)	YoY Change (%)	Pre-Tax Profit (¥ mn)	YoY Change (%)	NP (¥ mn)	YoY Change (%)	EPS (¥)	DPS (¥)
FY3/2022	131,080	10.9	5,472	35.8	5,293	39.7	3,286	39.0	147.0	34.0
FY3/2022	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	139,705	1.1	2,338	-48.3	2,177	-50.7	1,155	-58.4	50.6	44.0
FY3/2026 CoE	134,600	-3.7	2,500	6.9	2,380	9.3	1,560	35.0	68.4	44.0

Source: Company Data. Created by Strategy Advisors

1. Results Summary – FY3/2025

Actual Performance Exceeded Plans

For results for FY3/2025 (Results Date: May 12), the Company achieved sales revenue of ¥139.7 billion, a +1.1% YoY, versus the planned ¥140.4 billion. Operating profit was ¥2.33 billion, -48.3% YoY and slightly above the guideline ¥2.29 billion. The Q4 impairment loss at the Australian subsidiary (¥0.47 billion) weighed on the bottom line, meaning underlying performance modestly exceeded forecasts.

Domestic Working Business Delivers 30% Profit Growth

Within the 'Domestic Working Business', sales revenue totalled ¥83.09 billion (+0.7% YoY) and operating profit was ¥3.25 billion (-35.5% YoY). Excluding non-recurring items (loss on sale of subsidiary shares and deconsolidation impacts), segment profits rose 33.7%, confirming a shift into a phase of robust margin expansion. Construction engineering remained the primary driver, contributing an incremental ¥0.78 billion in profit for the year, while other domestic staffing divisions delivered modest revenue growth through productivity gains and new client wins, despite ongoing pressures in call-centre outsourcing. Strategy Advisors regards these results as early validation of management's turnaround initiatives.

The Overseas Working Business Saw a Significant Decrease in Profits. The Extremely Severe Situation Continues

In the 'Overseas Working Business', sales revenue amounted to ¥2.89 billion and operating profit reached ¥0.10 billion, aided by favourable currency translation from a weaker yen and ¥0.35 billion in government subsidy income. However, an impairment loss and a ¥0.70 billion contraction in gross profit, stemming from a slowdown in higher-margin recruitment services, drove a pronounced decline in segment profitability.

Recruitment activity was further restrained by inflationary pressures and rising wage costs, resulting in weakened demand for staffing solutions in both Australia and Singapore.

Figure 1. Performance Trends by Segment

Segment Breakdown (¥ mn, %)			FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Revenue			118,249	131,080	143,932	138,227	139,705
	YoY		-3.0%	10.9%	9.8%	-4.0%	1.1%
	Domestic Working		80,050	80,726	84,135	82,528	83,099
		YoY	-	0.8%	4.2%	-1.9%	0.7%
		Ratio to revenue	67.7%	61.6%	58.5%	59.7%	59.5%
	Overseas Working		36,920	48,746	57,537	55,432	56,448
		YoY	-	32.0%	18.0%	-3.7%	1.8%
		Ratio to revenue	31.2%	37.2%	40.0%	40.1%	40.4%
	Others		1,278	1,607	2,258	267	157
		Ratio to revenue	1.1%	1.2%	1.6%	0.2%	0.1%
Operating profit			4,030	5,472	5,318	4,525	2,338
	YoY		-2.8%	35.8%	-2.8%	-14.9%	-48.3%
	OP margin		3.4%	4.2%	3.7%	3.3%	1.7%
	Domestic Working		4,763	4,448	4,451	5,038	3,251
		YoY	-	-6.6%	0.1%	13.2%	-35.5%
		OP margin	6.0%	5.5%	5.3%	6.1%	3.9%
	Overseas Working		1,942	3,348	3,406	1,946	1,432
		YoY	-	72.4%	1.7%	-42.9%	-26.4%
		OP margin	5.3%	6.9%	5.9%	3.5%	2.5%
	Others		-413	-342	-296	-225	-223
	Adjusment		-2,262	-1,982	-2,243	-2,234	-2,122

Source: Financial Statements, etc.

2. Domestic Working Business Growth is Strong, Led by the Construction Engineer Segment

Domestic Working Business is 'Back on Track'

In the Domestic Working Business, call-centre outsourcing revenue declined 12.7% YoY. However, robust growth in the construction engineering segment and higher sales across other staffing areas drove overall revenue +0.7%, confirming a return to the Company's growth trajectory.

Construction Engineering Hires Declined, Reflecting the Company's HR Expertise

In the Construction Engineering segment for FY3/25, sales climbed 36.5% to ¥14.29 billion and operating profit swung to ¥380 million from a ¥400 million loss in the prior year. Headcount growth exceeded plans, with 1,704 hires versus a target of 1,200. Securing this volume, primarily through mid-career recruitment, reflects the Company's deep expertise in human-resources placement.

Retention Rates are Declining and Efforts to Improve Employee Engagement are Expected

A new challenge has arisen in the 'Domestic Working Business' where the retention rate fell to 68.4% as a significant number of inexperienced new graduates resigned. Since competitors are also reporting slight declines in retention and rising resignation rates, the industry appears to be experiencing growing mismatches between hires and job requirements amid rapid scale-ups. To address this, the Company will enhance employee engagement through revised evaluation criteria, qualification incentives and targeted assignment planning with structured follow-up interviews. Management aims to lift retention into the high 70% range over the medium term, balancing these initiatives alongside continued recruitment efforts.

Productivity Reforms Have Been Successful in the Domestic Working Business, Excluding the Construction Engineering Field

Outside the Construction Engineering segment, headcount declined but overall sales revenue edged higher thanks to productivity gains in existing services. In an environment of acute labor shortages, the Company's internal measures, securing higher-margin contracts and increasing utilization of longer-tenured staff have effectively boosted output per employee and merit recognition.

Sales & Factory Outsourcing Segments, Following Successful Productivity Reforms, Recorded a Slight Sales Uptick

Sales Outsourcing and Factory Outsourcing together drove approximately a 3% increase in segment revenue despite modest overall growth. In Sales Outsourcing, the shift by major telecommunications clients to in-house staffing continued to exert pressure; yet the business secured a slight uptick in sales through several large contract wins and a resurgence in demand for event-driven sales support that had been suppressed during the COVID-19 downturn.

Factory Outsourcing Will Focus on Securing New Projects in the Industrial Manufacturing Sector

In Factory Outsourcing, the Company leveraged its stable food-factory placements and added new contracts in the industrial products manufacturing sector to deliver a small revenue gain. Given the strong, structural demand for labor in this field and its sizable addressable market, the Company has successfully upsold complementary services, such as foreign-worker support and full-time staffing solutions. To capitalize on these opportunities, management plans to bolster the sales-team structure and intensify efforts to secure additional projects.

Care Support Segment Underperformed. New Projects are Expected to be Secured Efficiently

The Care support segment underperformed against the initial plan, highlighting areas for improvement. Because facility staffing levels are capped, sales efficiency in this domain remains below other segments and new client wins lagged expectations. Nevertheless, revenue per dispatched worker is trending upward, driven by a higher proportion of staff working full 8-hour shifts. Going forward, the Company will focus on selectively building a pipeline of small-facility engagements while carefully managing sales and administrative costs to enhance productivity.

Call Centre Outsourcing is Underperforming. In-House Project Volumes are Expected to Increase

The Call Centre Outsourcing business missed its plan by more than 5%, weighed down by ongoing underperformance at the telemarketing agency arm, which handles end-to-end call centre and field sales support. Although measures such as productivity enhancements and reassigning personnel to other divisions have been implemented, a definitive turnaround has yet to materialize. With other segments returning to growth, the Company will pursue a more integrated service model, expanding in-house telemarketing capabilities alongside its temporary-staff offerings to drive a sustainable recovery in profitability.

Full-time Dispatched Employees & Foreign Employment Support Staff both Surpassed Planned Targets

Full-time dispatched headcount reached 3,450 at year-end FY3/25, surpassing the plan of 3,274 and marking outperformance despite softness in Sales Outsourcing. Headcount growth in Factory Outsourcing and Call Centre Outsourcing exceeded expectations, with Factory Outsourcing, where considerable upside remains, benefiting from aggressive recruitment. Looking ahead to FY3/26 and beyond, the Company aims to drive higher value-added services by further expanding its full-time dispatched workforce and securing new client mandates.

Foreign-worker placements also outpaced targets, with 3,142 supported hires against a plan of 2,900, concentrated primarily in Factory Outsourcing. These results demonstrate that the Domestic Working Business has entered a phase of sustainable regrowth in line with the medium-term management plan, shifting its focus from headcount scale toward enhanced service quality and profitability.

Figure 2. Trends in Domestic Working Business Performance (¥ Million)

	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Domestic Working	80,050	80,726	84,135	82,528	83,099
Sales outsourcing	19,046	19,517	20,395	19,832	20,416
	-17.7%	2.5%	4.5%	-2.8%	2.9%
Call center outsourcing	16,866	17,041	16,582	14,840	12,949
	2.5%	1.0%	-2.7%	-10.5%	-12.7%
Factory outsourcing	20,585	18,316	17,639	17,988	18,540
	-13.3%	-11.0%	-3.7%	2.0%	3.1%
Care support	13,218	13,677	13,620	13,388	13,637
	9.6%	3.5%	-0.4%	-1.7%	1.9%
HR support for startups	1,273	2,348	2,998	3,420	-
	0.8%	84.4%	27.7%	14.1%	-
Construction management engineers	5,273	5,785	7,665	10,466	14,291
	9.7%	9.7%	32.5%	36.5%	36.5%
IT engineers	3,789	4,042	5,234	2,594	3,266
	329.1%	6.7%	29.5%	-50.4%	25.9%

Source: Company Data. Created by Strategy Advisors

Figure 3. Progress Rate by Area (¥ Million)

	FY3/24	FY3/25	YoY	CoE	Achievement Rate
Sales Outsourcing	19,832	20,416	2.9%	19,940	102.4%
Call Center Outsourcing	14,840	12,949	-12.7%	14,460	89.6%
Factory Outsourcing	17,988	18,540	3.1%	18,470	100.4%
Care Support	13,388	13,637	1.9%	14,150	96.4%

Source: Company Data. Created by Strategy Advisors

3. Overseas Working Business Requires Drastic Cost Reform

Inter-Subsidiary Information Sharing Will be Enhanced to Mitigate Recruitment Service

The Overseas Working Business's results for FY3/2025 were sales revenue of ¥56.44 billion, +1.8% YoY, while operating profit declined 26.4% to ¥1.43 billion, marking the second consecutive year of significant profit contraction. In Australia, both staffing and recruitment sales weakened as government clients shifted to direct employment following policy changes. A partial recovery in the private financial sector, driven by new projects with life insurance companies was insufficient to offset these headwinds. Across recruitment services, slower hiring in manufacturing, information and communications and finance amid inflationary pressures resulted in a sizable reduction in gross profit.

Weakness, Driven by Rising Wages & Inflation-Induced Demand Declines & Prevent Order Leakage

In the recruitment industry, revenues have fallen in various fields such as manufacturing, information and communications, and finance due to the worsening economic environment, including inflation. As this is a highly profitable business that relies mainly on recruitment fees, the impact on profits is large, and drastic measures will be essential. The company plans to share customer orders with each subsidiary and strengthen its order-taking system so that no orders are missed. It will be necessary to take advantage of the benefits of having multiple subsidiaries.

In Singapore, Demand for Temporary Staffing from Government and Administrative

In Singapore, demand for temporary staffing from government and administrative agencies remained robust and helped mitigate the decline in placement services. However, like Australia, recruitment placement volumes are expected to soften further as rising costs constrain corporate hiring plans.

Organizations is Expected to Remain Robust, With Ongoing Cost Controls

The Company will reduce its reliance on public-sector contracts by expanding into new industry verticals and leveraging its multi-subsidiary structure to share client orders and strengthen its sales infrastructure. To enhance cost efficiency, key operational functions will be relocated to jurisdictions with lower labor costs, and underperforming roles will be realigned through a rigorous performance-based restructuring process, as implemented in the 2025 fiscal term. These measures are designed to transform the Overseas Working Business into a more resilient and margin-accretive operation.

Figure 4. Overseas Working Business Performance (¥ Million)

Revenue by contract type (¥ mn)	**FY3/2021**	**FY3/2022**	**FY3/2023**	**FY3/2024**	**FY3/2025**
Overseas Working Revenue	36,946	48,746	57,538	55,430	56,448
YoY	2.4%	31.9%	18.0%	-3.7%	1.8%
Revenue by tipe					
Temporary staffing	33,236	41,438	49,287	48,018	49,116
Permanent placement	3,649	7,308	8,179	7,353	7,230
Other	61	0	72	59	100
Geographic (Overseas) Revenue					
Australia	30,549	38,197	43,429	39,231	37,307
Asia	6,369	10,548	14,110	16,201	19,141
Australia	82.7%	78.4%	75.5%	70.8%	66.1%
Asia	17.2%	21.6%	24.5%	29.2%	33.9%
Overseas Working OP	1,942	3,348	3,406	1,946	1,432
YoY	-	72.4%	1.7%	-42.9%	-26.4%
Operating profit ratio	5.3%	6.9%	5.9%	3.5%	2.5%

Source: Company Data. Created by Strategy Advisors

4. FY3/2026 Company Plan & Key Priorities

Domestic Working Business to Drive Growth

For FY3/2026, the Company projects sales revenue of ¥134.6 billion, -3.7% and operating profit of ¥2.5 billion, +6.9%.

Construction Engineering Field to Drive Growth

Within the Domestic Working Business, management expects the Construction Engineering segment to continue driving growth with a targeted sales increase of approximately 15%. The Call Centre Outsourcing field is forecast to see further sales declines, while other staffing areas should remain stable or post modest gains. Overall, the Company anticipates that Construction Engineering will contribute the bulk of year-on-year revenue growth.

Recruitment Reinforced & Retention Rates Improved

In the Construction Engineering segment, the Company will simultaneously intensify hiring and bolster retention. While the annual recruitment target is set at 1,500 engineers, actual hires may exceed this figure, as occurred in FY3/25. The retention rate, which declined to 68.4%, is slated to recover to 71.5%, yielding a net gain in headcount as resignations fall.

Design Engineering Field Secured a ¥740 Million Profit Increase

Segment profitability in Construction Engineering is projected to improve by ¥740 million, accounting for upfront investments in employee engagement, such as qualification subsidies and a revised performance, evaluation framework. In contrast, other staffing segments are expected to see a ¥300 million reduction in segment profit, reflecting weaker sales in Call Centre Outsourcing.

Overseas Working Business to Implement Cost Reforms

The Overseas Working Business is projected to deliver a double-digit decline in sales alongside a modest increase in operating profit, driven by aggressive cost-reduction initiatives. President Sumi will personally lead these measures, transitioning the segment into a leaner cost structure designed to sustain profitability even under adverse external conditions.

Conservatively Projected to Achieve Slight Profit Growth, Highlighting Management Commitment

These forecasts exclude any assumed subsidy income and incorporate conservative exchange-rate assumptions of ¥91/AUD and ¥104/SGD, reflecting a stronger yen. Under these parameters, management's commitment to delivering profit growth through internal efficiency gains is clear. Strategy Advisors will monitor the Company's progress closely to assess whether these efforts can establish a foundation for renewed growth within the fiscal year.

Figure 5. Company Plan for FY3/2026

Unit: billion yen	FY3/25	FY3/26CoE	YoY
Revenue	139.70	134.60	-3.7%
Overseas Working	83.11	84.05	1.1%
Domestic Working	56.45	50.47	-10.6%
Others	0.13	0.06	-
Gross profit	29.38	29.36	-0.1%
Gross profit margin	21.0%	21.8%	+0.8pt
Operating profit	2.33	2.50	6.9%
Overseas Working	3.25	3.69	13.7%
Domestic Working	1.43	1.47	2.9%
Others	0.22	0.31	-
Adjustment amount	2.12	2.35	-

Source: Financial Statements, etc.

5. Stock Price Remains on Hold

Equity Price Remains Range-Bound

Since October last year, the share price has traded around ¥1,000, underpinned in part by its dividend yield. Over the past year, Will Group's share-price performance has tracked peer averages, suggesting investors remain on the sidelines awaiting clearer growth signals.

Outperformers & Underperformers are Distinct. With Firms Posting ROE >20% Delivering Robust Share Price Gains

Within the staffing industry, high-performers such as CoPro Holdings (PBR >4.0×, ROE >20%) and TechnoPro Holdings (ROE >20%) have demonstrated the value of combining robust profit expansion with proactive capital returns, earning premium valuations and greater share-price volatility. Given the sector's asset-light model and typically strong ROE's, a rebound at Will Group toward a 20% ROE could drive a re-rating of its multiples.

Gross Profit Margins Will Serve as a Critical Determinant of Valuation

Will Group has already enhanced its value proposition through growth in full-time staffing and its entry into the Construction Engineering segment. By further expanding higher-margin services, such as foreign-worker support and improving its overall gross-profit mix, the Company is positioned to lift profitability and in turn, command a higher valuation in the capital markets.

Figure 6. Valuation List

Company name	Stock code	FY	Stock price (5/16) (¥)	Mkt cap (5/16) (¥ mn)	PER CoE (Times)	PBR Actual (Times)	ROE CoE (%)	Dividend Yield CoE (%)	1-Year Return (%)	3-Year Rate of Return (%)
WILL GROUP Inc.	6089	2025/03	925	21,363	13.5	1.2	9.0%	4.8%	-3.7%	-17.0%
World HD Co., Ltd.	2429	2024/12	2,180	39,255	7.2	0.9	12.2%	4.9%	-3.2%	-4.0%
Ut Group Co., Ltd.	2146	2025/03	2,425	96,661	12.4	3.3	26.3%	6.7%	-21.9%	0.3%
Nisso HD Co., Ltd.	9332	2025/03	637	21,674	8.6	1.3	14.6%	3.9%	-21.2%	NA
Open Up Group Inc.	2154	2024/06	1,815	166,638	14.3	2.2	15.0%	4.1%	-11.5%	28.0%
Copro HD Co., Ltd.	7059	2025/03	2,020	40,400	15.6	4.7	29.9%	4.0%	30.3%	359.6%
TechnoPro HD Inc.	6028	2024/06	4,089	427,301	23.1	5.4	23.2%	2.2%	50.9%	37.9%
Human HD Co., Ltd.	2415	2025/03	1,672	17,352	6.9	1.0	13.8%	4.3%	18.8%	90.2%
Career Co., Ltd.	6198	2024/09	318	2,743	9.7	1.4	14.1%	2.0%	-11.7%	-8.4%
SMS Co., Ltd.	2175	2025/03	1,365	119,522	16.6	2.5	14.9%	NA	-34.1%	-55.5%
HITO-Communications HD, In	4433	2024/08	938	16,790	15.6	1.0	6.2%	3.8%	-3.1%	-35.5%
Like Co., Ltd.	2462	2024/05	1,484	30,370	11.4	1.7	14.9%	3.9%	-9.5%	-28.4%
S-pool, Inc.	2471	2024/11	319	25,203	13.1	2.6	19.6%	3.1%	-2.7%	-74.5%
CRG HD Co., Ltd.	7041	2024/09	303	1,675	6.7	0.6	9.1%	0.0%	-40.4%	-37.3%
CareerLink Co., Ltd.	6070	2025/03	2,123	26,751	13.6	1.7	12.5%	5.7%	-12.7%	19.9%

Note: Will Group, Open Up Group, TechnoPro HD, and S-pool are IFRS, and others are J-GAAP.

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

Source: Strategy Advisors. Based on SPEEDA Data.

Figure 7. Consolidated Statements of Income (IFRS)

(¥ mn)	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025	FY3/2026 CoE
Revenue	**118,249**	**131,080**	**143,932**	**138,227**	**139,705**	**134,600**
YoY	-3.0%	10.9%	9.8%	-4.0%	1.1%	-3.7%
Cost of sales	94,192	102,314	112,194	107,781	110,321	
Gross profit	**24,056**	**28,765**	**31,737**	**30,446**	**29,383**	
Gross profit margin	20.3%	21.9%	22.0%	22.0%	21.0%	
Selling, general and administrative expenses	20,463	23,585	27,169	28,314	27,270	
SG&A ratio to sales	17.3%	18.0%	18.9%	20.5%	19.5%	
Other income	519	387	842	2,412	732	
Other expenses	82	95	91	18	506	
Operating profit	**4,030**	**5,472**	**5,318**	**4,525**	**2,338**	**2,500**
YoY	-2.8%	35.8%	-2.8%	-14.9%	-48.3%	6.9%
Operating profit margin	3.4%	4.2%	3.7%	3.3%	1.7%	1.9%
Equity method investment gains and losses	-5	-18	-21	-24	24	
Financial income	11	52	161	128	53	
Finance expenses	247	212	311	211	239	
Profit before tax	**3,788**	**5,293**	**5,146**	**4,417**	**2,177**	**2,380**
YoY	-6.6%	39.7%	-2.8%	-14.2%	-50.7%	9.3%
Pretax profit margin	3.2%	4.0%	3.6%	3.2%	1.6%	1.8%
Income tax expense	1,110	1,439	1,686	1,539	1,035	
Tax rate	29.3%	27.2%	32.8%	34.8%	47.5%	
Profit	2,678	3,854	3,459	2,878	1,141	
Non-controlling interests	314	568	223	99	-13	
Owners of parent profit (loss)	**2,363**	**3,286**	**3,236**	**2,778**	**1,155**	**1,560**
YoY	-0.7%	39.1%	-1.5%	-14.2%	-58.4%	35.1%
Owners of parent profit margin	2.0%	2.5%	2.2%	2.0%	0.8%	
EBITDA	**6,259**	**7,556**	**7,456**	**6,810**	**4,896**	
EBITDA margin	5.3%	5.8%	5.2%	4.9%	3.5%	

Source: Company Data. Created by Strategy Advisors

Figure 8. Key Indicators

Key indicators	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Stock indicators					
Number of shares outstanding at year-end ('000 shares)	22,555	22,852	22,944	23,000	23,095
Number of treasury shares at year-end ('000 shares)	290	285	285	213	213
EPS (¥)	106.4	147.0	143.2	122.4	50.6
EPS (Diluted, ¥)	104.6	144.8	142.0	121.6	50.4
DPS (¥)	24.0	34.0	44.0	44.0	44.0
Payout ratio (%)	22.6%	23.1%	30.7%	36.0%	86.9%
DOE (%)	7.9%	7.8%	7.6%	6.2%	5.8%
BPS (¥)	370.1	505.1	646.0	768.4	760.1
Profitability indicators					
Gross profit margin (%)	20.3%	21.9%	22.0%	22.0%	21.0%
EBITDA (¥ mn)	6,259	7,556	7,456	6,810	4,896
EBITDA margin (%)	5.3%	5.8%	5.2%	4.9%	3.5%
Operating profit margin (%)	3.4%	4.2%	3.7%	3.3%	1.7%
Owners of parent profit margin (%)	2.0%	2.5%	2.2%	2.0%	0.8%
Financial indicators					
Return on Assets BeforeTax (%) ROA	8.3%	10.7%	9.6%	8.3%	4.3%
Return on Equity Attributable to Owners of the Parent (%) ROE	35.1%	33.5%	24.9%	17.3%	6.6%
Equity Attributable to Owners of the Parent (%)	17.6%	21.8%	26.6%	34.0%	34.8%
Cash and cash equivalents (¥ mn)	7,455	8,973	9,590	7,106	6,936
Interest-bearing debt (¥ mn)	15,194	15,448	17,091	5,930	6,605
Net Debt (¥ mn)	7,739	6,475	7,501	-1,176	-331
Net DE ratio	0.94	0.57	0.51	-0.07	-0.02
Net Debt/operating EBITDA (compnay definition)	1.24	0.86	1.01	-0.17	-0.07
Total Short & Long-Term Debt	8,788	7,988	10,146	5,930	6,605
Net Debt (¥ mn)	1,333	-985	556	-1,176	-331
Net DE Ratio	0.16	-0.09	0.04	-0.07	-0.02
Net Debt/EBITDA	0.21	-0.13	0.07	-0.17	-0.07
Invested capital (¥ mn, gross IC)	17,028	19,386	24,784	23,438	23,997
NOPAT (NOPLAT, ¥ mn)	2,849	3,984	3,576	2,948	1,226
ROIC (%, gross IC)	17.8%	21.9%	16.2%	12.2%	5.2%
ROIC (%, company disclosed)	13.8%	17.9%	16.6%	13.4%	5.7%
Efficiency indicators					
Working capital (¥ mn)	934	2,161	1,777	1,027	1,180
Working capital turnover (Times)	126.6	60.7	81.0	134.6	118.4
Current ratio (%)	95.1%	92.9%	100.9%	106.4%	105.3%
Quick ratio (%)	92.1%	90.5%	97.3%	101.0%	100.3%

Source: Company Data. Created by Strategy Advisors

Figure 9. Segment Performance by Business Segment (¥ Million, %)

			FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Revenue			118,249	131,080	143,932	138,227	139,705
	YoY		-3.0%	10.9%	9.8%	-4.0%	1.1%
	Domestic Working		80,050	80,726	84,135	82,528	83,099
		YoY	-	0.8%	4.2%	-1.9%	0.7%
		Ratio to revenue	67.7%	61.6%	58.5%	59.7%	59.5%
	Overseas Working		36,920	48,746	57,537	55,432	56,448
		YoY	-	32.0%	18.0%	-3.7%	1.8%
		Ratio to revenue	31.2%	37.2%	40.0%	40.1%	40.4%
	Others		1,278	1,607	2,258	267	157
		Ratio to revenue	1.1%	1.2%	1.6%	0.2%	0.1%
Operating profit			4,030	5,472	5,318	4,525	2,338
	YoY		-2.8%	35.8%	-2.8%	-14.9%	-48.3%
	OP margin		3.4%	4.2%	3.7%	3.3%	1.7%
	Domestic Working		4,763	4,448	4,451	5,038	3,251
		YoY	-	-6.6%	0.1%	13.2%	-35.5%
		OP margin	6.0%	5.5%	5.3%	6.1%	3.9%
	Overseas Working		1,942	3,348	3,406	1,946	1,432
		YoY	-	72.4%	1.7%	-42.9%	-26.4%
		OP margin	5.3%	6.9%	5.9%	3.5%	2.5%
	Others		-413	-342	-296	-225	-223
	Adjusment		-2,262	-1,982	-2,243	-2,234	-2,122

Source: Company Data. Created by Strategy Advisors

Figure 10. Details of Domestic Working Business (¥ Million)

	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Domestic Working	80,050	80,726	84,135	82,528	83,099
Sales outsourcing	19,046	19,517	20,395	19,832	20,416
YoY	-17.7%	2.5%	4.5%	-2.8%	2.9%
Call center outsourcing	16,866	17,041	16,582	14,840	12,949
YoY	2.5%	1.0%	-2.7%	-10.5%	-12.7%
Factory outsourcing	20,585	18,316	17,639	17,988	18,540
YoY	-13.3%	-11.0%	-3.7%	2.0%	3.1%
Care support	13,218	13,677	13,620	13,388	13,637
YoY	9.6%	3.5%	-0.4%	-1.7%	1.9%
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
YoY	9.7%	9.7%	32.5%	36.5%	36.5%
IT engineers	3,789	4,042	5,234	2,594	3,266
YoY	329.1%	6.7%	29.5%	-50.4%	25.9%
Domestic Working	4,710	4,823	4,734	3,032	3,268
Sales outsourcing	1,468	1,614	1,717	1,308	1,365
Call center outsourcing	1,130	1,175	935	507	429
Factory outsourcing	1,000	1,258	947	765	803
Care support	381	295	497	227	319
HR support for startups	158	603	267	400	-
Construction management engineers	38	-559	-496	-400	384
Others	535	437	867	225	-32
Domestic Working	5.9%	6.0%	5.6%	3.7%	3.9%
Sales outsourcing	7.7%	8.3%	8.4%	6.6%	6.7%
Call center outsourcing	6.7%	6.9%	5.6%	3.4%	3.3%
Factory outsourcing	4.9%	6.9%	5.4%	4.3%	4.3%
Care support	2.9%	2.2%	3.6%	1.7%	2.3%
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%
Others	14.1%	10.8%	16.6%	8.7%	-1.0%

Source: Company Data. Created by Strategy Advisors

Figure 11. Consolidated Balance Sheet (¥ Million)

	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Assets					
Cash and cash equivalents	7,455	8,973	9,590	7,106	6,936
Trade and other receivables	14,694	17,458	17,928	17,512	18,136
Other financial assets	690	129	138	171	213
Other current assets	729	728	1,009	1,338	1,265
Current assets	**23,570**	**27,289**	**28,666**	**26,129**	**26,551**
Property, plant and equipment	1,082	1,223	1,139	1,275	1,109
Right-to-use assets	5,715	6,809	6,349	5,071	4,391
Goodwill	6,155	6,514	8,120	8,737	8,166
Other intangible assets	6,049	6,154	5,996	6,109	5,605
Investment accounted for using equity method	495	477	456	431	-
Other financial assets	1,151	1,208	1,475	1,158	2,160
Deferred tax assets	1,678	1,850	1,953	1,888	1,851
Other non-current assets	863	822	782	741	86
Non-current assets	**23,190**	**25,061**	**26,272**	**25,413**	**23,371**
Total assets	**46,760**	**52,350**	**54,939**	**51,543**	**49,923**
Liabilities	-	-	-	-	-
Trade and other payables	13,760	15,297	16,151	16,485	16,956
Short-term borrowings	4,865	5,786	6,761	2,490	4,003
Other financial liabilities	3,600	5,245	1,364	2,115	1,426
Income taxes payable	514	1,195	1,027	1,005	523
Other current liabilities	2,048	1,836	3,109	2,437	2,297
Current liabilities	**24,790**	**29,361**	**28,414**	**24,553**	**25,208**
Long-term borrowings	3,923	2,202	3,385	3,440	2,602
Others financial liabilities	6,563	6,285	5,950	4,837	3,636
Deferred tax liabilities	1,289	1,202	1,127	1,006	935
Other non-current liabilities	166	177	184	206	181
Non-current liabilities	**11,943**	**9,867**	**10,648**	**9,490**	**7,354**
Total liabilities	**36,733**	**39,228**	**39,062**	**34,024**	**32,563**
Net assets	-	-	-	-	-
Share capital	2,089	2,163	2,187	2,198	2,217
Capital surplus	-1,786	-2,266	-1,923	-2,045	-2,068
Retained earnings	8,559	11,310	13,758	15,528	-204
Treasury shares	-279	-274	-274	-204	1,912
Other components of equity	-343	464	890	2,032	15,536
Equity attributable to owners of parent	8,240	11,398	14,638	17,508	17,392
Non-controlling interests	1,786	1,723	1,238	10	-32
Total equity	**10,027**	**13,121**	**15,877**	**17,518**	**17,359**
Total liabilities and equity	**46,760**	**52,350**	**54,939**	**51,543**	**49,923**

Source: Company Data. Created by Strategy Advisors

Figure 12. Consolidated Statements of Cash Flows (¥ Million)

	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Cash flows from operating activities (1)	**4,316**	**4,350**	**4,816**	**3,828**	**1,806**
Profit before tax	3,788	5,293	5,146	4,417	2,177
Depreciation and amortization	2,229	2,084	2,137	2,285	2,084
	-	-	-	-	473
Share-based payment expenses	85	65	107	104	59
Decrease (increase) in trade receivables	1,488	-2,494	-223	42	-591
Increase (decrease) in trade payables	72	580	969	1,031	-615
Other	-1,312	-4	-839	-2,489	127
Subtotal	6,351	5,525	7,297	5,390	3,715
Interests and dividends received	7	9	17	124	43
Interest paid	-86	-79	-88	-120	-152
Income taxes paid	-1,956	-1,104	-2,409	-1,565	-1,800
Cash flows from investing activities(2)	**-433**	**-306**	**-1,761**	**-575**	**-695**
Purchase of property, plant and equipment, and intangi	-589	-741	-396	-802	-361
Purchase of investments accounted for using equi	-350	-	-	-	-
Purchase of investment securities	-46	-63	-	-	-299
Proceeds from sales of investment securities	374	22	-	-	-
Purchase of shares of subsidiaries resulting in change in scope o	-	-	-1,757	-	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of con	-	-	1,009	811	-
	-	-	-	-	-300
Other	179	475	-617	-584	265
FCF (1＋2)	3,883	4,044	3,055	3,253	1,111
Cash flows from financing activities	**-2,646**	**-2,959**	**-2,783**	**-6,232**	**-1,233**
Net increase (decrease) in short-term borrowings	1,890	1,000	1,590	-3,245	1,365
Proceeds from long-term borrowings	270	1,165	4,383	1,500	800
Repayments of long-term borrowings	-3,080	-2,965	-3,367	-2,470	-1,566
Repayments of lease liabilities	-1,302	-1,310	-1,333	-1,335	-1,324
Pu Proceeds from long-term debt	-798	-1,969	-3,746	-	-
Prc Repayments of long-tem debt	-	1,360	-	-	-
Dividends paid to non-controlling interests	-362	-281	-373	-	-
Dividends paid	-511	-540	-776	-1,008	-1,011
Proceeds from government grants	1,273	361	524	190	539
Other	-25	222	316	137	-35
Cash and cash equivalents increase (decrease)	1,511	1,517	617	-2,484	-169

Source: Company Data. Created by Strategy Advisors

Figure 13. Quarterly Financial Results (¥ Million)

Quarterly Financial Results (¥ mn, %) (3 months)	FY3/2024				FY3/2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	34,435	34,841	34,641	34,310	35,052	35,271	35,030	34,352
YoY	-2.8%	-5.6%	-4.5%	-2.9%	1.8%	1.2%	1.1%	0.1%
Cost of sales	26,883	26,984	26,943	26,971	27,792	27,742	27,723	27,064
YoY	-1.9%	-6.1%	-4.8%	-2.8%	3.4%	2.8%	2.9%	0.3%
Cost of sales ratio	78.1%	77.4%	77.8%	78.6%	79.3%	78.7%	79.1%	78.8%
Gross profit	7,552	7,856	7,699	7,339	7,260	7,528	7,308	7,287
YoY	-6.0%	-4.0%	-3.1%	-3.1%	-3.9%	-4.2%	-5.1%	-0.7%
Gross profit margin	21.9%	22.5%	22.2%	21.4%	20.7%	21.3%	20.9%	21.2%
SG&A	7,256	7,021	7,017	7,020	7,387	6,746	6,584	6,553
YoY	8.9%	3.8%	-1.0%	5.5%	1.8%	-3.9%	-6.2%	-6.7%
SG&A ratio to revenue	21.1%	20.2%	20.3%	20.5%	21.1%	19.1%	18.8%	19.1%
Operating profit	1,132	887	776	1,730	177	832	783	546
YoY	-20.9%	-41.0%	-16.7%	19.2%	-84.4%	-6.2%	0.9%	-68.4%
OP margin	3.3%	2.5%	2.2%	5.0%	0.5%	2.4%	2.2%	1.6%
Profit before tax	1,195	891	633	1,698	125	742	825	485
YoY	-16.1%	-41.5%	-21.1%	21.6%	-89.5%	-16.7%	30.3%	-71.4%
Pretax profit margin	3.5%	2.6%	1.8%	4.9%	0.4%	2.1%	2.4%	1.4%
Profit attributable to owners of parent	723	679	162	1,214	69	437	610	39
YoY	-4.6%	-31.1%	-69.8%	27.3%	-90.5%	-35.6%	276.5%	-96.8%
NP margin	2.1%	1.9%	0.5%	3.5%	0.2%	1.2%	1.7%	0.1%

Source: Company Data. Created by Strategy Advisors

Figure 14. Quarterly Results by Segment

Segment Breakdown (¥ mn, %) (3 months)	FY3/2024 Q1	FY3/2024 Q2	FY3/2024 Q3	FY3/2024 Q4	FY3/2025 Q1	FY3/2025 Q2	FY3/2025 Q3	FY3/2025 Q4
Revenue	34,435	34,841	34,641	34,310	35,052	35,271	35,030	34,352
YoY	-2.8%	-5.6%	-4.5%	-2.9%	1.8%	1.2%	1.1%	0.1%
Domestic Working	20,186	20,515	20,940	20,887	20,468	20,794	21,180	20,657
YoY	-3.3%	-0.7%	-2.2%	-1.4%	1.4%	1.4%	1.1%	-1.1%
Ratio to revenue	58.6%	58.9%	60.4%	60.9%	58.4%	59.0%	60.5%	60.1%
Overseas Working	14,182	14,258	13,631	13,361	14,534	14,435	13,816	13,663
YoY	1.0%	-9.2%	-4.0%	-1.7%	2.5%	1.2%	1.4%	2.3%
Ratio to revenue	41.2%	40.9%	39.3%	38.9%	41.5%	40.9%	39.4%	39.8%
Others	66	68	69	64	48	42	35	32
Ratio to revenue	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Operating profit	1,132	887	776	1,730	177	832	783	546
YoY	-20.9%	-41.0%	-16.8%	19.2%	-84.4%	-6.2%	0.9%	-68.4%
OP margin	3.3%	2.5%	2.2%	5.0%	0.5%	2.4%	2.2%	1.6%
Domestic Working	1,364	782	850	2,042	238	861	983	1,168
YoY	15.0%	-28.3%	-4.0%	58.4%	-82.6%	10.1%	15.6%	-42.8%
OP margin	6.8%	3.8%	4.1%	9.8%	1.2%	4.1%	4.6%	5.7%
Overseas Working	456	667	525	297	573	544	392	-77
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%	-0.6%
Others	-69	-69	-54	-33	-60	-77	-60	-26
Adjusment	-617	-493	-546	-576	-574	-496	-533	-519

Source: Company Data. Created by Strategy Advisors

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Figure 15. Domestic Working Business Quarterly Details (¥ Million)

Sector (3 months)	FY3/2024 Q1	FY3/2024 Q2	FY3/2024 Q3	FY3/2024 Q4	FY3/2025 Q1	FY3/2025 Q2	FY3/2025 Q3	FY3/2025 Q4
Revenue (¥ mn)	34,435	34,841	34,641	34,310	35,052	35,271	35,030	34,352
Revenue								
Domestic Working	20,186	20,514	20,940	20,886	20,468	20,794	21,179	20,656
Sales outsourcing	4,866	4,867	4,968	5,130	5,187	5,042	5,108	5,078
Call center outsourcing	3,883	3,753	3,720	3,482	3,387	3,296	3,278	2,986
Factory outsourcing	4,448	4,473	4,630	4,435	4,586	4,634	4,774	4,543
Care support	3,311	3,338	3,398	3,339	3,379	3,442	3,448	3,366
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	3,818
YoY	42.1%	38.9%	32.9%	33.7%	34.7%	38.6%	37.6%	35.2%
Others	599	614	687	689	767	792	841	862
Operating profit								
Domestic Working	663	808	712	847	259	909	1,153	945
Sales outsourcing	281	284	337	405	375	293	357	338
Call center outsourcing	152	114	143	97	103	96	143	85
Factory outsourcing	221	180	229	134	139	195	289	179
Care support	77	48	54	46	59	82	84	91
HR support for startups	101	203	-84	179	-	-	-	-
Construction management engineers	-273	-59	-20	-47	-369	279	275	198
Others	101	36	52	32	-49	-39	3	52

Source: Company Data

Figure 16. Overseas Working Business Quarterly Details (¥ Million)

	FY3/2024 Q1	FY3/2024 Q2	FY3/2024 Q3	FY3/2024 Q4	FY3/2025 Q1	FY3/2025 Q2	FY3/2025 Q3	FY3/2025 Q4
Overseas Working Revenue	14,182	14,258	13,630	13,361	14,534	14,435	13,815	13,662
Revenue by tipe								
Temporary staffing	12,227	12,215	11,782	11,793	12,514	12,472	12,079	12,050
Permanent placement	1,933	2,029	1,832	1,557	1,993	1,943	1,702	1,591
Other	21	13	15	10	27	18	34	21
Geographic (Overseas) Revenue								
Australia	10,502	10,204	9,419	9,054	9,887	9,698	9,044	8,676
Asia	3,679	4,054	4,210	4,306	4,647	4,736	4,770	4,986
Overseas Working OP	456	667	525	297	573	544	392	-76
YoY	-46.7%	-37.0%	-23.8%	-63.0%	25.7%	-18.4%	-25.3%	-125.6%
Operating profit ratio	3.2%	4.7%	3.9%	2.2%	3.9%	3.8%	2.8%	-0.6%

Source: Company Data. Created by Strategy Advisors

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