

Company Report

September 3, 2025

Strategy Advisors Inc.
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FY3/26 Q1 Results: Increased Gross Profit and Effective Cost Control Contributed to a Strong Start, Exceeding Company Projections

Will Group disclosed its Q1 (April-June) results for FY3/26 on August 8, reporting revenue of ¥35.20 billion (+0.4% YoY) and operating profit of ¥390 million (+122.7% YoY), marking a significant profit increase. In addition to continued growth in the Construction Engineer Segment, increased gross profit from focusing on permanent staff dispatch and foreign worker employment support, along with effective cost control in underperforming areas, contributed to the results. Progress appears to be exceeding the company's plan for 1H FY3/26 (April-September) (Revenues: ¥68.8 billion, Operating Profit: ¥820 million).

The Domestic Working business performed solidly, with revenue of ¥21.18 billion (+3.5% YoY) and operating profit of ¥580 million (+144.8% YoY). Revenue growth was driven by a ¥930 million YoY increase in the Construction Engineer Segment, while the Factory Outsourcing Segment also performed well, particularly in the Industrial Products Manufacturing Sector. The Call Center Outsourcing Segment, a persistent concern, continued to underperform with a ¥400 million YoY revenue decline, though this aligns with the conservative company plan.

Overseas Working business operations recorded revenue of ¥14.0 billion (-3.7% YoY) and operating profit of ¥470 million (-17.9% YoY). This decline in both revenue and profit resulted from the yen's appreciation (impacting revenue by -¥1.11 billion and operating profit by -¥30 million) and the loss of government subsidy income. Excluding government subsidy income, operating profit increased by 50.9% YoY, reflecting the success of cost control measures such as adjustments to consultant staffing levels and compensation.

The stock price has generally traded in the upper ¥900 range since last October, indicating a wait-and-see stance continues. The company's PBR remains low at 1.3x and as expected PER is also low at around 14x. The company plans to announce its next mid-term management plan alongside its FY3/26 results. Strategy Advisors expects this plan to involve selecting growth and contraction areas, balancing offensive and defensive strategies. Furthermore, attention is drawn to the potential for increased large-scale consolidation and restructuring within the staffing industry. This follows Blackstone (US) announcing its intention to launch a tender offer (TOB) for TechnoPro Holdings (6028, TSE Prime), one of the industry's largest players, which had been trading at a relatively high valuation (timely disclosure on August 6).

Stock Price & Trading Volumes (Past 1-Year)



Source: Strategy Advisors

Key Indicators

Stock Price (9/2/25)	963
52-Week High (3/6/25)	1,025
52-Week Low (4/7/25)	835
10-Year High (2/2/18)	2,122
10-Year Low (1/21/16)	346
Shares on Issue (mn)	22.9
Market Capitalization (¥ bn)	22.1
EV (¥ bn)	26.3
Equity Ratio (3/25 Actual, %)	34.8
PER (3/25 Actual, Times)	19.3
PBR (3/25 Actual, Times)	1.3
Dividend Yield (3/26 CoE, %)	4.5

Source: Strategy Advisors

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IFRS Consolidated FY	Revenue (¥ mn)	YoY (%)	Operating Profit (¥ mn)	YoY (%)	Profit Before Tax (¥ mn)	YoY (%)	Net Profit (¥ mn)	YoY (%)	EPS (¥)	DPS (¥)
FY3/25 Q1	35,052	1.8	177	-84.4	125	-89.5	69	-90.4	3.1	-
FY3/26 Q1	35,207	0.4	394	122.7	329	162.3	281	303.9	12.3	-
FY3/23	143,932	9.8	5,318	-2.8	5,146	-2.8	3,236	-1.5	143.2	44.0
FY3/24	138,227	-4.0	4,525	-14.9	4,417	-14.2	2,778	-14.2	122.4	44.0
FY3/25	139,705	1.1	2,338	-48.3	2,177	-50.7	1,155	-58.4	50.6	44.0
FY3/26 CoE	134,600	-3.7	2,500	6.9	2,380	9.3	1,560	35.0	68.1	44.0

Source: Company Data. Compiled by Strategy Advisors.

1. Results Summary for FY3/26 Q1

FY3/26 Q1 Saw a Significant Increase in Profits Compared to the Same Period Last Year

Will Group disclosed its Q1 results for FY3/26 on August 8. Revenue reached ¥35.2 billion (+0.4% YoY), while operating profit hit ¥390 million (+122.7% YoY), resulting in a significant profit increase. Building on the previous year's momentum, the growth pillar of the Domestic Working business, specifically the Construction Engineer Segment, continued to drive profit growth. This was complemented by increased gross profit from focusing on permanent staff dispatch and foreign worker employment support, as well as successful cost control in the Domestic Working business' Call Center Outsourcing Segment and the Overseas Working business.

Domestic Working Business is Progressing In-Line with the Company's Conservative Plan

Domestic Working business performed solidly, with revenue of ¥21.18 billion (+3.5% YoY) and operating profit of ¥580 million (+144.8%). Revenue growth was driven by the Construction Engineer Segment, which increased by ¥930 million YoY, while the Factory Outsourcing Segment also performed well, particularly in the Industrial Products Manufacturing Sector. Meanwhile, the Call Center Outsourcing Segment, a long-standing concern, continued to underperform with a ¥400 million decrease in revenue. However, this progress aligns with the company's conservative plan, so excessive concern is likely unnecessary. Notably, on the profit side, the Call Center Outsourcing Segment secured a ¥30 million increase in profit despite the revenue decline. This highlights the tangible results of initiatives such as the group-wide review of personnel allocation.

Overseas Working Business Saw a Significant Increase in Profits

The Overseas Working business recorded revenue of ¥14.0 billion (-3.7% YoY) and operating profit of ¥470 million (-17.9% YoY). This decline in both revenue and profit resulted from the impact of yen appreciation on foreign exchange (revenue: -¥1.11 billion, operating profit: -¥30 million) and the loss of government subsidy income. Excluding government subsidy income, however, operating profit actually increased by 50.9% compared to the same period last year. This improvement can be attributed to successful cost control measures, including adjustments to the consultant staffing structure and compensation.

Figure 1. Segment Performance Trends

Segment Breakdown (¥ mn, %) (3 months)	FY3/25				FY3/26
	Q1	Q2	Q3	Q4	Q1
Revenue	35,052	35,271	35,030	34,352	35,207
YoY	1.8%	1.2%	1.1%	0.1%	0.4%
Domestic Working	20,468	20,794	21,180	20,657	21,182
YoY	1.4%	1.4%	1.1%	-1.1%	3.5%
Ratio to revenue	58.4%	59.0%	60.5%	60.1%	60.2%
Overseas Working	14,534	14,435	13,816	13,663	14,001
YoY	2.5%	1.2%	1.4%	2.3%	-3.7%
Ratio to revenue	41.5%	40.9%	39.4%	39.8%	39.8%
Others	48	42	35	32	24
Ratio to revenue	0.1%	0.1%	0.1%	0.1%	0.1%
Operating profit	177	832	783	546	394
YoY	-84.4%	-6.2%	0.9%	-68.4%	122.6%
OP margin	0.5%	2.4%	2.2%	1.6%	1.1%
Domestic Working	238	861	983	1,168	583
YoY	-82.6%	10.1%	15.6%	-42.8%	145.0%
OP margin	1.2%	4.1%	4.6%	5.7%	2.8%
Overseas Working	573	544	392	-77	471
YoY	25.7%	-18.4%	-25.3%	-	-17.8%
OP margin	3.9%	3.8%	2.8%	-0.6%	3.4%
Others	-60	-77	-60	-26	-74
Adjustment	-574	-496	-533	-519	-586

Source: Company Data. Compiled by Strategy Advisors.

2. Domestic Working Business is Experiencing High Growth, Primarily in the Construction Engineer Sector

The Domestic Market Continues to be Driven by the Construction & Engineering Sector

The Domestic Working business recorded revenue of ¥21.18 billion (+3.5% YoY) and operating profit of ¥580 million (+144.8% YoY). Although the Call Center Outsourcing Segment saw a 11.8% YoY revenue decline, the Construction Engineer and Factory Outsourcing Segments drove growth, resulting in an overall steady performance. It should be noted that the company's plan for the Call Center Outsourcing Segment anticipated a roughly 10% decrease in revenue compared to the previous period, meaning progress was largely in line with expectations.

Cost Control in Underperforming Areas Also Proved Effective

Additionally, on the profit front, progress exceeded expectations due to steady unit price negotiations in the Factory Outsourcing Segment, improved profitability in the Call Center Outsourcing Segment through measures like workforce restructuring and a partial hiring freeze. The gross profit margin for the Domestic Working business in Q1 was 21.6% (+1.6% YoY).

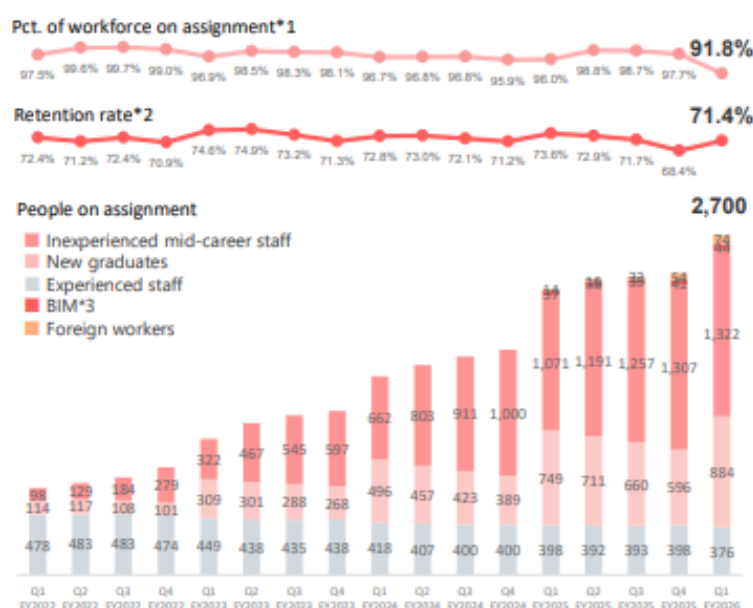
The Deficit in the Construction Engineer Sector is Due to Seasonal Factors

Retention Rates Remain a Challenge. But Improvements are being Pursued Through Revisions to the Compensation System & Other Measures

The Construction Engineering Division recorded revenue of ¥4.09 billion (+29.6% YoY) and an operating loss of ¥120 million (down from ¥360 million YoY). The Q1 operating loss was within expectations, as profitability typically declines during this period due to the impact of non-operational costs associated with training newly hired graduates (418 new hires). The company hired a total of 814 employees, including both new graduates and mid-career hires (compared to 806 in the same period last year). Given the strong construction demand, recruitment is key for this business. Leveraging its long-cultivated recruitment expertise in the staffing industry, the company continues to make steady progress in securing resources this fiscal year. The company plans to hire 1,500 employees for the full year. Based on Q1 progress, hiring is expected to exceed the plan again this fiscal year, similar to last year. Furthermore, unit price negotiations continue to progress smoothly, with Q1 prices rising approximately 5.0% YoY. New project unit prices are also increasing, indicating continued robust demand.

On the other hand, the retention rate stood at 71.4%, indicating some challenges remain. A unique factor this term was construction companies partially curtailing non-Expo projects due to the Osaka-Kansai Expo. Going forward, the company plans to implement initiatives to enhance employee engagement. This includes actively securing projects in high-demand areas like the Tokyo metropolitan region, improving placement assessments and follow-up interviews, offering qualification incentive payments and reviewing the evaluation system and compensation structure. The company aims to raise the retention rate to the high 70% range over the mid-term, indicating significant potential for profitability improvement through increased operational rates.

Figure 2. Trends in Major KPIs



Source: Company Material.

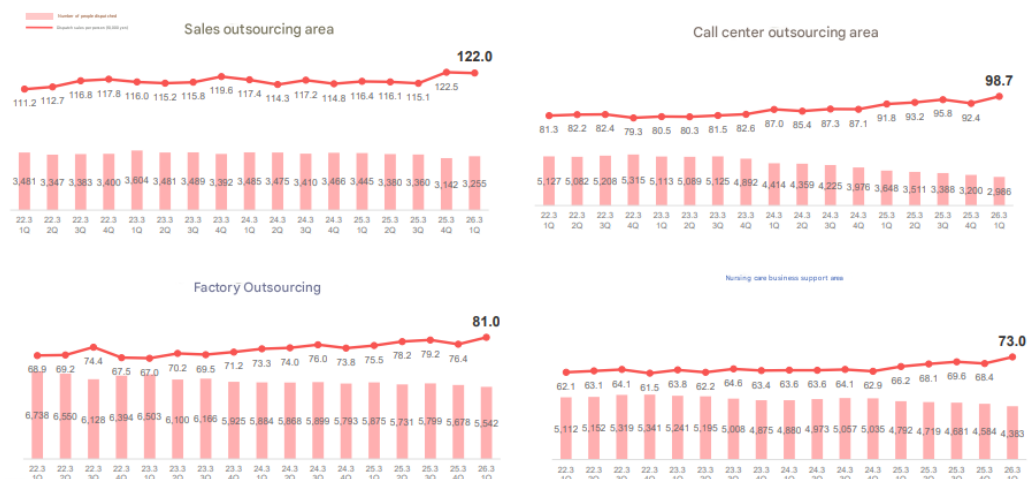
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Sales Revenues Declined Slightly

Revenue from Domestic Working business, excluding the Construction Engineer domain, decreased by ¥220 million YoY. However, productivity improvements proved effective and revenue did not decline as much as the decrease in the number of personnel. The number of active personnel across the 4 major domains excluding the construction engineer domain was 16,166 (compared to 17,760 in the same period last year), a decrease of 9.0%. However, sales revenue only decreased by 2.2%. This indicates that productivity improvement measures, such as securing high-value projects and increasing the utilization of staff working extended hours, have been effective.

By segment, Sales Outsourcing Revenue decreased 2.7% YoY, while Call Center Outsourcing revenue fell 11.8% YoY. Although Sales Outsourcing orders from major telecommunications companies are showing signs of recovery, the performance of Creative Bank Co., Ltd., a consolidated subsidiary providing sales support for business events and similar activities, appears to have slowed. This likely reflects the end of the rebound effect following the COVID-19 pandemic.

Figure 3. Per-Person Temporary Staffing Revenue Trends: 4 Major Sectors



Source: Company material

Staffing for Call Centers Amid Slowing Growth is Addressed Through Cost Control

The Call Center Outsourcing Segment appears to be strengthening high-margin areas such as business contracting and finance. However, the slowdown in its core call center staffing services persisted, resulting in double-digit revenue decline. The company is advancing cost control measures and implementing staffing adjustments. Consequently, Q1 operating profit for this segment reached ¥130 million, securing profit growth despite the YoY revenue decrease.

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The Next Pillar of Growth Following the Construction Engineer Field is Eagerly Awaited

Factory outsourcing revenue increased by 2.3% YoY, driven by growth outside the Food Manufacturing Sector. Demand from the Industrial Products Manufacturing Sector remains strong and unit price negotiations appear to be progressing smoothly. This sector is expected to expand while maintaining profitability, given its large market size and the potential for active upselling of foreign worker support and permanent staff dispatch services. Furthermore, the number of foreign workers supported in Q1 within the Factory Outsourcing segment remained robust at 2,220 (an increase of 444 compared to the same period last year). Additionally, the number of active permanent staff dispatch personnel reached 834 (an increase of 316). This business progress aligns with the company's mid-term management plan shift from quantity to quality and it is expected to leap forward as a growth pillar following the construction engineer domain.

The Outlook for the Nursing Care Business Support Sector this Fiscal Year is Expected to Plateau

The Care Business Support Segment saw modest revenue growth, largely in line with company projections. Due to the limited number of staff that can be deployed at a single facility, this segment has lower operational efficiency compared to other segments. As the company is focusing its efforts on strengthening areas like Factory Outsourcing, this segment is expected to plateau this fiscal year. The company will likely continue its policy of pursuing highly productive business operations with a focus on operational efficiency.

Figure 4. Performance Trends by Business Area for Domestic Working Business (¥ mn)

	FY3/24				FY3/25				FY3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue									
Domestic Working	20,186	20,514	20,940	20,886	20,468	20,794	21,179	20,656	21,182
Sales outsourcing	4,866	4,867	4,968	5,130	5,187	5,042	5,108	5,078	5,046
Call center outsourcing	3,883	3,753	3,720	3,482	3,387	3,296	3,278	2,986	2,986
Factory outsourcing	4,448	4,473	4,630	4,435	4,586	4,634	4,774	4,543	4,693
Care support	3,311	3,338	3,398	3,339	3,379	3,442	3,448	3,366	3,442
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	4,094
Others	599	614	687	689	767	792	841	862	919
Operating profit									
Domestic Working	663	808	712	847	259	909	1,153	945	643
Sales outsourcing	281	284	337	405	375	293	357	338	294
Call center outsourcing	152	114	143	97	103	96	143	85	134
Factory outsourcing	221	180	229	134	139	195	289	179	245
Care support	77	48	54	46	59	82	84	91	92
HR support for startups	101	203	-84	179	-	-	-	-	-
Construction management engineers	-273	-59	-20	-47	-369	279	275	198	-129
Others	101	36	52	32	-49	-39	3	52	5

Source: SPEEDA Data. Compiled by Strategy Advisors.

3. Overseas Working Business Require Fundamental Cost Reforms

Recovery in Australia's Staffing Sector Rebounds After a Prolonged Hiring Restraint

The Overseas Working Business saw a significant decline in revenue to ¥14.0 billion (-3.7% YoY) and operating profit to ¥470 million (-17.9% YoY). However, excluding the impact of subsidy income, profit increased by 50.9% YoY, demonstrating the effectiveness of our profitability-focused management. This was primarily due to the materialization of the impact from the restructuring of consultant staffing and compensation implemented in FY3/25, coupled with a stronger-than-expected recovery in staffing services in Australia.

On a Local Currency Basis, Revenues Turned Positive

This fiscal year has seen a stronger yen compared to last year, but the yen has weakened against the company's exchange rate assumptions (AUD: ¥91, SGD: ¥104). Exchange rate fluctuations in Q1 resulted in a ¥1.11 billion decrease in sales revenue and a ¥30 million decrease in operating profit. Excluding the foreign exchange impact, revenue increased on a local currency basis, suggesting the company is emerging from the worst this period.

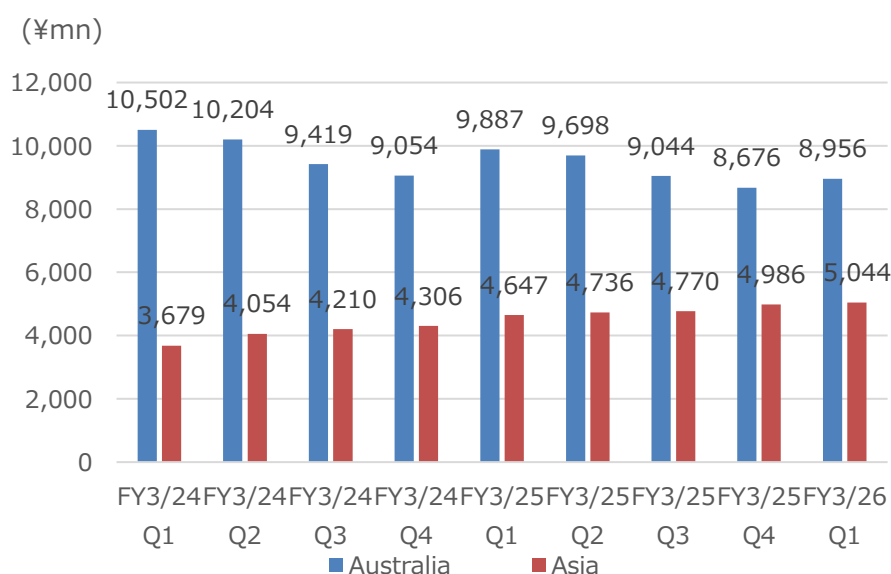
Demand for Temporary Staffing is Expected in the Construction and Nursing Care Sectors

Australia had been experiencing a decline in staffing revenue due to the federal government's policy on permanent employment. However, Q1 staffing revenue in local currency terms reached AUD\$85.7 million (compared to AUD\$85.8 million in the same period last year), maintaining a level comparable to the previous year. Compared to FY3/23, this represents a decline of around 15-20%, raising hopes for a bottoming out and reversal. However, given the prolonged hiring freeze, this could also be a temporary rebound. Furthermore, demand for staffing services is anticipated in the Construction and Nursing Care Sectors. The company plans to move away from a model heavily reliant on state governments and instead expand operations in areas where the supply-demand balance for labor is poor, making staffing services unavoidable.

The Australian Recruitment Market Remains Challenging

Additionally, recruitment revenue in Australia increased to AUD\$10.9 million compared to AUD\$10.2 million in the same period last year). While revenue had continued to decline alongside staffing services due to deteriorating economic conditions such as inflation, Q1 showed signs of recovery. The company plans to strengthen its order acquisition system by sharing customer orders across subsidiaries to prevent missed opportunities. Additionally, similar to FY3/25, it will proceed with partial restructuring through rigorous performance-based evaluation and reduce fixed costs by reviewing operational structures.

Figure 5. Overseas Working Business Sales Trends by Region



Source: Company Data. Compiled by Strategy Advisors.

4. Future Catalysts and Stock Price Trends

Stock Prices Remain in a Wait-And-See Mode

The stock price has generally remained in the upper ¥900 range since last October, continuing to be in a wait-and-see state. Although FY3/26 Q1 earnings progress showed an upward deviation from the company's plan, the stock price reaction was neutral. Factors likely suppressing upside include: 1) the underperformance of the Overseas Working business and the lack of fundamental improvement measures and 2) the failure to identify growth pillars outside the construction engineer domain.

Potential Increase in Consolidation and Restructuring within the Staffing Industry

Furthermore, Strategy Advisors notes that Blackstone (U.S.) intends to conduct a tender offer (TOB) for Technopro Holdings (6028, TSE Prime), one of the industry's largest players with a relatively high valuation (timely disclosure on August 6). This signals the potential for increased large-scale consolidation and restructuring within the staffing industry going forward. TRYT (unlisted), which specializes in staffing for healthcare and welfare, also saw Carlyle (U.S.) conduct a tender offer in June 2025. These developments could well lead to a reassessment of the stock valuations for staffing companies.

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The Next Mid-Term Management Plan is Scheduled for Release Next Spring

The company's PBR remains low at 1.3x and projected PER is also low at around 14x. The company plans to announce its next medium-term management plan alongside its FY3/26 Q1 earnings release. Strategy Advisors expects this plan to involve selecting growth and contraction areas, balancing offensive and defensive strategies. As mentioned above, Q1 earnings showed better-than-expected profit progress due to cost control, yet the stock price reaction was neutral. Capital market expectations lie not in profit generation through cost control; but in business expansion accompanied by sales growth, specifically whether the company can establish a new growth pillar alongside its construction engineer segment.

Figure 6. Valuation Overview

Company name	Stock code	FY	Stock Price (Aug 29) (¥)	Market Cap (Aug 29) (¥ bn)	PER CoE (Times)	PBR Actual (Times)	ROE Actual (%)	Dividend Yield Actual CoE (%)	1-Yr Return (Aug 29) (%)	3-Yr Return (Aug 29) (%)
WILL GROUP	6089	3/25	972	22.472	14.2	1.3	9.0%	4.5%	2.6%	-28.3%
World HD	2429	12/24	2,609	46.980	8.6	1.0	12.2%	4.1%	30.3%	-3.8%
UT Group	2146	3/25	2,720	108.478	13.9	3.7	26.3%	6.0%	-1.0%	-1.7%
Nisso HD	9332	3/25	653	22.218	8.8	1.3	14.6%	3.8%	-15.2%	-
Open Up Group	2154	6/24	1,836	168.567	14.5	2.2	15.0%	4.1%	-4.5%	12.3%
Copro HD	7059	3/25	2,232	44.640	17.2	5.2	29.9%	3.6%	39.9%	380.5%
TechnoPro HD	6028	6/25	4,826	504.317	-	6.3	-	-	64.8%	51.0%
Human HD	2415	3/25	1,877	19.480	7.8	1.1	13.8%	3.9%	28.3%	112.8%
Career	6198	9/24	296	2.553	501.7	1.3	0.3%	0.0%	-21.5%	-20.0%
SMS	2175	3/25	1,583	138.610	18.8	2.9	15.2%	-	-28.8%	-49.3%
HITO-Comm. HD	4433	8/24	1,112	19.904	18.5	1.2	6.2%	3.3%	30.2%	-37.7%
Like	2462	5/25	1,491	30.513	10.4	1.6	15.5%	4.0%	5.0%	-33.0%
S-pool	2471	11/24	325	25.677	13.3	2.6	19.6%	3.1%	-7.9%	-70.2%
CRG HD	7041	9/24	363	2.006	8.0	0.7	9.1%	0.0%	-30.2%	-27.3%
CareerLink	6070	3/25	2,345	29.560	15.1	1.9	12.5%	5.1%	-5.6%	1.0%

Note: Will Group, Open Up Group, TechnoPro Holdings, and Spool use IFRS accounting standards; others use Japanese standards.

Note: NISSO Holdings listed on October 2, 2023; TechnoPro Holdings has not disclosed its earnings forecast; SMS has not disclosed its dividend forecast.

Source: SPEEDA Data. Compiled by Strategy Advisors.

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Figure 7. Consolidated Statement of Income (¥ 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. Compiled by Strategy Advisors.

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Figure 8. 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	34	44	44	44
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					
Ratio of pretax profit to total asset (%)	8.3%	10.7%	9.6%	8.3%	4.3%
Ratio of profit to equity attributable to owners of parent (%)	35.1%	33.5%	24.9%	17.3%	6.6%
Ratio of equity attributable to owners of parent to total asset (%)	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	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	0.2	-0.1	0.0	-0.1	0.0
Net Debt/EBITDA	0.2	-0.1	0.1	-0.2	-0.1
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. Compiled by Strategy Advisors.

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Figure 9. Performance Trends by Segment (¥ 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
Adjustment	-2,262	-1,982	-2,243	-2,234	-2,122

Source: Company Data. Compiled by Strategy Advisors.

Figure 10. Domestic Working Business Details (¥ mn)

		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. Compiled by Strategy Advisors.

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Figure 11. Consolidated Balance Sheet (¥ mn)

	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. Compiled by Strategy Advisors.

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Figure 12. Consolidated Cash Flow Statement (¥ mn)

	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
Depreciation losses and impairment loss reversals	-	-	-	-	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 intangible assets	-589	-741	-396	-802	-361
Purchase of investments accounted for using equity method	-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 of consolidation	-	-	-1,757	-	-
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
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
Purchase Proceeds from long-term debt	-798	-1,969	-3,746	-	-
Proceec 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. Compiled by Strategy Advisors.

Figure 13. Quarterly Performance Trends (¥ mn)

	FY3/24				FY3/25				FY3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	34,435	34,841	34,641	34,310	35,052	35,271	35,030	34,352	35,207
YoY	-2.8%	-5.6%	-4.5%	-2.9%	1.8%	1.2%	1.1%	0.1%	0.4%
Cost of sales	26,883	26,984	26,943	26,971	27,792	27,742	27,723	27,064	27,813
YoY	-1.9%	-6.1%	-4.8%	-2.8%	3.4%	2.8%	2.9%	0.3%	0.1%
Cost of sales ratio	78.1%	77.4%	77.8%	78.6%	79.3%	78.7%	79.1%	78.8%	79.0%
Gross profit	7,552	7,856	7,699	7,339	7,260	7,528	7,308	7,287	7,394
YoY	-6.0%	-4.0%	-3.1%	-3.1%	-3.9%	-4.2%	-5.1%	-0.7%	1.8%
Gross profit margin	21.9%	22.5%	22.2%	21.4%	20.7%	21.3%	20.9%	21.2%	21.0%
SG&A	7,256	7,021	7,017	7,020	7,387	6,746	6,584	6,553	7,040
YoY	8.9%	3.8%	-1.0%	5.5%	1.8%	-3.9%	-6.2%	-6.7%	-4.7%
SG&A ratio to revenue	21.1%	20.2%	20.3%	20.5%	21.1%	19.1%	18.8%	19.1%	20.0%
Operating profit	1,132	887	776	1,730	177	832	783	546	394
YoY	-20.9%	-41.0%	-16.7%	19.2%	-84.4%	-6.2%	0.9%	-68.4%	122.6%
OP margin	3.3%	2.5%	2.2%	5.0%	0.5%	2.4%	2.2%	1.6%	1.1%
Profit before tax	1,195	891	633	1,698	125	742	825	485	329
YoY	-16.1%	-41.5%	-21.1%	21.6%	-89.5%	-16.7%	30.3%	-71.4%	163.2%
Pretax profit margin	3.5%	2.6%	1.8%	4.9%	0.4%	2.1%	2.4%	1.4%	0.9%
Profit attributable to owners of parer	723	679	162	1,214	69	437	610	39	277
YoY	-4.6%	-31.1%	-69.8%	27.3%	-90.5%	-35.6%	276.5%	-96.8%	301.4%
NP margin	2.1%	1.9%	0.5%	3.5%	0.2%	1.2%	1.7%	0.1%	0.8%

Source: Company Data. Compiled by Strategy Advisors.

Figure 14. Quarterly Performance Trends by Segment (¥ mn)

	FY3/24				FY3/25				FY3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	34,435	34,841	34,641	34,310	35,052	35,271	35,030	34,352	35,207
YoY	-2.8%	-5.6%	-4.5%	-2.9%	1.8%	1.2%	1.1%	0.1%	0.4%
Domestic Working	20,186	20,515	20,940	20,887	20,468	20,794	21,180	20,657	21,182
YoY	-3.3%	-0.7%	-2.2%	-1.4%	1.4%	1.4%	1.1%	-1.1%	3.5%
Ratio to revenue	58.6%	58.9%	60.4%	60.9%	58.4%	59.0%	60.5%	60.1%	60.2%
Overseas Working	14,182	14,258	13,631	13,361	14,534	14,435	13,816	13,663	14,001
YoY	1.0%	-9.2%	-4.0%	-1.7%	2.5%	1.2%	1.4%	2.3%	-3.7%
Ratio to revenue	41.2%	40.9%	39.3%	38.9%	41.5%	40.9%	39.4%	39.8%	39.8%
Others	66	68	69	64	48	42	35	32	24
Ratio to revenue	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Operating profit	1,132	887	776	1,730	177	832	783	546	394
YoY	-20.9%	-41.0%	-16.8%	19.2%	-84.4%	-6.2%	0.9%	-68.4%	122.6%
OP margin	3.3%	2.5%	2.2%	5.0%	0.5%	2.4%	2.2%	1.6%	1.1%
Domestic Working	1,364	782	850	2,042	238	861	983	1,168	583
YoY	15.0%	-28.3%	-4.0%	58.4%	-82.6%	10.1%	15.6%	-42.8%	145.0%
OP margin	6.8%	3.8%	4.1%	9.8%	1.2%	4.1%	4.6%	5.7%	2.8%
Overseas Working	456	667	525	297	573	544	392	-77	471
YoY	-46.7%	-37.0%	-23.8%	-63.0%	25.7%	-18.4%	-25.3%	-	-17.8%
OP margin	3.2%	4.7%	3.9%	2.2%	3.9%	3.8%	2.8%	-0.6%	3.4%
Others	-69	-69	-54	-33	-60	-77	-60	-26	-74
Adjusment	-617	-493	-546	-576	-574	-496	-533	-519	-586

Source: Company Data. Compiled by Strategy Advisors.

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

	FY3/24				FY3/25				FY3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue									
Domestic Working	20,186	20,514	20,940	20,886	20,468	20,794	21,179	20,656	21,182
Sales outsourcing	4,866	4,867	4,968	5,130	5,187	5,042	5,108	5,078	5,046
Call center outsourcing	3,883	3,753	3,720	3,482	3,387	3,296	3,278	2,986	2,986
Factory outsourcing	4,448	4,473	4,630	4,435	4,586	4,634	4,774	4,543	4,693
Care support	3,311	3,338	3,398	3,339	3,379	3,442	3,448	3,366	3,442
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	4,094
Others	599	614	687	689	767	792	841	862	919
Operating profit	-	-	-	-	-	-	-	-	-
Domestic Working	663	808	712	847	259	909	1,153	945	643
Sales outsourcing	281	284	337	405	375	293	357	338	294
Call center outsourcing	152	114	143	97	103	96	143	85	134
Factory outsourcing	221	180	229	134	139	195	289	179	245
Care support	77	48	54	46	59	82	84	91	92
HR support for startups	101	203	-84	179	-	-	-	-	-
Construction management engineers	-273	-59	-20	-47	-369	279	275	198	-129
Others	101	36	52	32	-49	-39	3	52	5

Source: Company Data. Created by Strategy Advisors

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

	FY3/24				FY3/25				FY3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Overseas Working Revenue	14,182	14,258	13,630	13,361	14,534	14,435	13,815	13,662	14,001
YoY	1.0%	-9.2%	-4.0%	-1.7%	2.5%	1.2%	1.4%	2.3%	-3.7%
Breakdown of Revenue by Contract Type									
Temporary staffing	12,227	12,215	11,782	11,793	12,514	12,472	12,079	12,050	12,182
Permanent placement	1,933	2,029	1,832	1,557	1,993	1,943	1,702	1,591	1,776
Other	21	13	15	10	27	18	34	21	42
Breakdown of Revenue by Region									
Australia	10,502	10,204	9,419	9,054	9,887	9,698	9,044	8,676	8,956
Asia	3,679	4,054	4,210	4,306	4,647	4,736	4,770	4,986	5,044
Overseas Working	456	667	525	297	573	543	392	-76	471
YoY	-46.7%	-37.0%	-23.7%	-63.0%	25.7%	-18.6%	-25.3%	-	-17.8%
OP margin	3.2%	4.7%	3.9%	2.2%	3.9%	3.8%	2.8%	-	3.4%

Source: Company Data. Compiled by Strategy Advisors.

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