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May 11, 2022

Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under IFRS)

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 Listing: Tokyo Stock Exchange
 Securities code: 6089
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 Scheduled date of annual general meeting of shareholders: June 21, 2022
 Scheduled date to commence dividend payments: June 22, 2022
 Scheduled date to file annual securities report: June 21, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	131,080	10.9	5,472	35.8	5,293	39.7	3,854	43.9
March 31, 2021	118,249	(3.0)	4,030	(2.8)	3,788	(6.6)	2,678	(1.3)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Fiscal year ended						
March 31, 2022	3,286	39.0	4,683	5.8	147.03	144.76
March 31, 2021	2,363	(0.7)	4,425	204.8	106.35	104.59

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	%	%	%
Fiscal year ended			
March 31, 2022	33.5	10.7	4.2
March 31, 2021	35.1	8.3	3.4

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2022: ¥(18) million

For the fiscal year ended March 31, 2021: ¥(5) million

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2022	52,350	13,121	11,398	21.8	505.08
March 31, 2021	46,760	10,027	8,240	17.6	370.13

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	4,350	(306)	(2,959)	8,973
March 31, 2021	4,316	(433)	(2,646)	7,455

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2021	–	0.00	–	24.00	24.00	541	22.6	7.9
Fiscal year ended March 31, 2022	–	0.00	–	34.00	34.00	776	23.1	7.8
Fiscal year ending March 31, 2023 (Forecast)	–	0.00	–	44.00	44.00		29.5	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2022	67,000	4.8	2,250	(16.2)	2,190	(19.4)	1,575	(21.1)
Fiscal year ending March 31, 2023	140,000	6.8	5,600	2.3	5,490	3.7	3,870	0.4

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Six months ending September 30, 2022	1,250	(26.4)	55.93
Fiscal year ending March 31, 2023	3,330	1.3	148.98

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: – companies

Excluded: 1 company Name: WILLOF FACTORY, Inc.

- (2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

- (3) Number of issued shares (ordinary shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	22,852,200 shares
As of March 31, 2021	22,554,500 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	284,820 shares
As of March 31, 2021	290,379 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2022	22,351,306 shares
Fiscal year ended March 31, 2021	22,226,808 shares

Note: The number of treasury shares at the end of the period includes the number of shares owned by executive stock compensation trust.

(279,441 shares as of March 31, 2022 and 285,000 shares as of March 31, 2021)

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	4,541	(0.8)	2,002	28.5	1,950	(3.4)	2,795	53.7
March 31, 2021	4,576	30.7	1,558	27.7	2,019	128.8	1,819	5.6

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	125.05	123.12
March 31, 2021	81.84	80.48

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2022	21,555	12,420	57.6	550.04
March 31, 2021	20,728	10,023	48.3	449.52

Reference: Equity

As of March 31, 2022: ¥12,413 million

As of March 31, 2021: ¥10,008 million

< Reasons for the differences between the non-consolidated financial results for the previous fiscal year and those for the fiscal year under review >

Non-consolidated financial results for the fiscal year under review differ from those for the previous fiscal year as a result of increases in dividends from subsidiaries and associates, management fee income, and gain on sale of shares of subsidiaries and associates, etc.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements shown in these materials, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to “(5) Future outlook” under “1. Overview of operating results and others” on page 5 of the attached material for the assumptions on which earnings forecasts are based, and cautions concerning the use thereof.

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1. Overview of operating results and others

(1) Overview of operating results for the fiscal year

During the fiscal year ended March 31, 2022, the progress made in vaccinations and the lifting of lockdowns in many countries resulted in the global economy trending towards recovery. Nevertheless, with the expansion and prolongation of inflationary pressure, the switch towards tighter monetary policy by many countries, shortages of components, mainly semiconductors, the continuation of worldwide supply chain disruption caused by logistics delays, and the situation in Russia and Ukraine, the outlook has become uncertain.

In Japan, the spread of COVID-19 resulted in ongoing declarations of states of emergency, mostly in the Tokyo metropolitan area, but recently such measures have become less rigorous and there are signs of a recovery in business conditions. However, the risk of a downturn in overseas economies, rising prices for energy and raw materials, and volatility in foreign exchange rates require careful attention.

Under these circumstances, the Group worked on the WORK SHIFT Strategy, which aims to raise the operating margin through a portfolio shift and digital shift in preparation for achieving the goals of the “WILL-being 2023” Medium-Term Management Plan, which enters its final year in the fiscal year ending March 31, 2023.

In Japan, with the intermittent states of emergency being declared mainly in the Tokyo metropolitan area, the factory outsourcing domain and areas of the sales outsourcing domain other than communications were negatively affected by the spread of COVID-19, but in other business domains performed strongly. In addition, in preparation for the Perm SHIFT (“Perm” refers to permanent placement, and temporary staffing for highly specialized fields), we made upfront investments in focus areas such as permanent placement in the nursing care domain, increasing the number of sales and consultants staff in the construction management engineer human resources service domain, and the HR support for startups domain.

In Singapore and Australia, which are the main areas in which the Company has expanded its business overseas, COVID-19 led to measures such as the lockdowns of cities. Despite this, business conditions are beginning to recover, demand for human resources is increasing, and both temporary staffing and permanent placement turned in strong performances.

As a result of the above, revenue during the fiscal year under review was ¥131,080 million (up 10.9% year on year), operating profit was ¥5,472 million (up 35.8%), profit before tax was ¥5,293 million (up 39.7%), profit was ¥3,854 million (up 43.9%), profit attributable to owners of parent was ¥3,286 million (up 39.0%), and EBITDA (operating profit + depreciation and amortization + impairment losses) was ¥7,556 million (up 20.7%).

Results of operations by segment are as follows:

In terms of the accounting method for reportable business segments, we had previously adopted a method based on Japanese GAAP to which certain adjustments were made. After one of its regular reviews of segment information, the Group decided to align the accounting method with the accounting policies of the Group from the first quarter of the fiscal year ended March 31, 2022. Following this change, reportable segment information for the previous fiscal year has been restated.

(i) Domestic WORK Business

The Domestic WORK Business offers temporary staffing, permanent placement and business process outsourcing services in Japan specifically for categories such as the sales outsourcing domain, call center outsourcing domain, factory outsourcing domain and nursing care domain. The demands for sectors such as apparel and sales promotion in the sales outsourcing domain and factory outsourcing domain decreased due to the continued impact of the spread of COVID-19. On the other hand, demand in the communications area of the sales outsourcing domain, call center outsourcing domain, nursing care domain, and HR support for startups domain, was resilient and performance was strong. To prepare for the era of coexistence with coronavirus as well as the post-coronavirus era, each sector also focused on developing clients for new services, including a sales agency, and a contact center service in which all the staff work from home.

As for profit, in permanent placements for the nursing care domain and the construction management engineer human resources services domain, upfront investments to increase the number of sales and consultants staff resulted in lower earnings.

As a result of the above, the Domestic WORK Business recorded external revenue of ¥80,726 million (up 0.8% year on year), and segment profit of ¥4,448 million (down 6.6%).

(ii) Overseas WORK Business

In the human resources services that we are developing in the ASEAN region and Oceania, the spread of COVID-19 resulted in measures such as the lockdowns of cities, but demand for human resources was strong, and both temporary staffing and permanent placement turned in strong performances. On the exchange rate, both the Singaporean and the Australian dollar depreciated against the yen compared to the same period of the previous year.

As for profit, in addition to the increase in personnel expenses that we had previously been controlling, there was a decrease in income from employment support government subsidies aimed at tackling COVID-19 that we received in Singapore in the previous fiscal year, but the increase in permanent placement sales led to a rise in gross profit and to higher earnings.

As a result of the above, the Overseas WORK Business recorded external revenue of ¥48,746 million (up 32.0% year on year), and segment profit of ¥3,348 million (up 72.4%).

(iii) Others

In the Others segment, we worked to expand non-labor-intensive businesses by strengthening the development of new platforms such as “Hourmane,” a working time management system for foreign workers, and “ENPORT,” foreigners life support service. Due to the spread of COVID-19, restrictions on entry to Japan made it difficult to visit the country and resulted in a slump in the number of users. Because we continued to invest in the development of our new platform, the segment recorded a loss.

As a result of the above, the Others segment recorded revenue of ¥1,607 million (up 25.7% year on year), and a segment loss of ¥342 million (a segment loss of ¥413 million was recorded in the previous fiscal year).

(2) Overview of financial position for the fiscal yearAssets

Current assets as of March 31, 2022 were ¥27,289 million, an increase of ¥3,718 million from the end of the previous fiscal year. This was mainly due to increases in trade and other receivables of ¥2,763 million, and in cash and cash equivalents of ¥1,517 million, despite a decrease in other financial assets of ¥560 million.

Non-current assets stood at ¥25,061 million, an increase of ¥1,870 million from the end of the previous fiscal year. This was mainly due to increases in right-of-use assets of ¥1,093 million, goodwill of ¥359 million, deferred tax assets of ¥172 million, and property, plant and equipment of ¥141 million.

As a result, total assets amounted to ¥52,350 million, an increase of ¥5,589 million from the end of the previous fiscal year.

Liabilities

Current liabilities as of March 31, 2022 were ¥29,361 million, an increase of ¥4,571 million from the end of the previous fiscal year. This was mainly due to increases in other financial liabilities of ¥1,645 million, trade and other payables of ¥1,536 million, and borrowings of ¥920 million.

Non-current liabilities stood at ¥9,867 million, a decrease of ¥2,075 million from the end of the previous fiscal year. This was mainly due to decreases in borrowings of ¥1,721 million, and in other financial liabilities of ¥277 million.

As a result, total liabilities amounted to ¥39,228 million, an increase of ¥2,495 million from the end of the previous fiscal year.

Equity

Total equity as of March 31, 2022 was ¥13,121 million, an increase of ¥3,093 million from the end of the previous fiscal year. This was mainly due to increases in retained earnings of ¥2,750 million, and in other components of equity of ¥808 million, despite a decrease of ¥480 million in capital surplus.

As a result of the above, the ratio of equity attributable to owners of parent to total assets was 21.8% (17.6% at the end of the previous fiscal year). After excluding the effect from temporary factor of ¥3,509 million in written put options (¥3,300 million at the end of the previous fiscal year), the adjusted figure for the ratio of equity attributable to owners of parent to total assets became 28.5% (24.7% at the end of the previous fiscal year).

(3) Overview of cash flows for the fiscal year

Cash and cash equivalents at the end of the current fiscal year increased ¥1,517 million from the end of the previous fiscal year to ¥8,973 million. Status of cash flows in the fiscal year under review and the main factors driving them are as follows:

Cash flows from operating activities

Net cash provided by operating activities was ¥4,350 million (¥4,316 million provided in the previous fiscal year). This was mainly due to a recording of profit before tax of ¥5,293 million and depreciation and amortization of ¥2,084 million, despite factors such as trade receivables of ¥2,494 million and income taxes paid of ¥1,104 million.

Cash flows from investing activities

Net cash used in investing activities was ¥306 million (¥433 million used in the previous fiscal year). This was mainly due to proceeds from investing activities and other transactions of ¥475 million, despite factors such as purchase of property, plant and equipment, and intangible assets of ¥741 million.

Cash flows from financing activities

Net cash used in financing activities was ¥2,959 million (¥2,646 million used in the previous fiscal year). This was mainly due to repayments of long-term borrowings of ¥2,965 million, and purchase of shares of subsidiaries not resulting in change in scope of consolidation of ¥1,969 million, despite

factors such as proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation of ¥1,360 million, and proceeds from long-term borrowings of ¥1,165 million.

(4) Basic policy on profit distribution, and dividends for current and next fiscal years

Returning profit to the Company's shareholders and maintaining sufficient retained earnings to achieve stable future business development are the fundamental principles adopted by the Company. Specifically, after taking into account the factors such as the status of operating performance in each fiscal year, we aim for a total payout ratio(*) of 30% relative to earnings forecasts at the beginning of the fiscal year to enhance returns to shareholders while securing funds for growth investments.

In addition, the policy of the Company is to pay dividends of surplus once a year, but the Company stipulates in its Articles of Incorporation that it may pay an interim dividend provided for in Article 454, paragraph (5) of the Companies Act. The bodies that decide dividends from surplus are the general meeting of shareholders for year-end dividends, and the Board of Directors for interim dividends.

For the fiscal year under review the Company proposes to pay a year-end dividend per share of ¥34 (ordinary dividend of ¥34) in accordance with the upward revision to the dividend forecast announced on November 9, 2021. In that event, the total payout ratio would be 23.6% (42.2% relative to the earnings forecast at the beginning of the fiscal year).

In addition, for the fiscal year ending March 31, 2023, we plan to increase the dividend by ¥10 per share to ¥44, with the aim of achieving a total payout ratio of 30% relative to earnings forecast at the start of the fiscal year. In that event, the total payout ratio would be 30.2%.

(*) Total payout ratio: The ratio of the amount of dividends plus purchase of treasury shares to profit attributable to owners of parent

(5) Future outlook

The Group believes it is necessary to alter its earnings structure in order to achieve sustainable growth, and has positioned the "WILL-being 2023" Medium-Term Management Plan announced on May 12, 2021 ("the Plan") as the foundation-building phase of this initiative. The basic policy incorporated by the Plan is our WORK SHIFT strategy, which aims to utilize a portfolio shift and digital shift to improve the operating margin and achieve a highly profitable structure. It also specifies revenue, operating profit, and operating margins as the basis for numerical management targets, but operating profit and operating margin exceeded targets for the fiscal year ended March 31, 2022, and we aim to fully achieve these objectives, including key strategies, in the fiscal year ending March 31, 2023. The basic policy and key strategies of the Plan are as follows.

■ Basic policy of the Plan

The basic policy incorporated by the Plan is our WORK SHIFT strategy, which aims to utilize a portfolio shift and digital shift to improve the operating margin and achieve a highly profitable structure.

The portfolio shift entails efforts to maximize and optimize growth opportunities through Perm SHIFT ("Perm" refers to permanent placement and temporary staffing for highly specialized fields).

The digital shift entails efforts to maximize and optimize employment opportunities focused on productivity improvement and stability of the business by promoting digitalization in the Temp domain ("Temp" refers to temporary staffing and business process outsourcing).

As for business portfolio management, by dividing the businesses of the Group into five domains and optimizing the structure of the business portfolio, we will improve overall profitability, achieve the optimal allocation of management resources and enhance investment efficiency.

■ The Plan's numerical management targets

The numerical management targets for the fiscal year ending March 31, 2023, which is the final year of the Plan, are revenue of ¥133,500 million, operating profit of ¥5,350 million, and an operating margin of 4.0%.

■ Key strategies

In order to achieve the management targets in the Plan, we will execute the following four key strategies.

Strategy I Utilizing portfolio shift to improve profitability

Both in Japan and overseas, we seek to expand our business in Perm area with a higher gross profit margin than in Temp area. Within that domain, in particular, we will expand in the fields of nursing care and construction management engineers, where labor shortages have become the norm.

Strategy II Utilizing digital shift to improve productivity

In order to improve productivity in the Temp area, we will take measures to improve efficiency by promoting digitalization, such as moving the operations online and business automation. We are also working to improve efficiency through the integration of consolidated subsidiaries, the integration of systems, the consolidation of operations and other measures.

Strategy III Searching for next strategic investment domain

In terms of the next strategic investment, we will search for business with a high operating margin in domains peripheral to our existing businesses, with the aim of improving future consolidated operating margins.

Strategy IV Financial strategy

To prepare for future growth investments and achieve more appropriate financial leverage, we are targeting a ratio of equity attributable to owners of parent to total assets of at least 20%. In addition to targeting improvements in profitability, we seek to raise capital efficiency by setting an ROIC target of at least 20%. In order to enhance returns to shareholders while securing funds for future growth investments, our shareholder returns is to target a total payout ratio of 30% relative to earnings forecasts at the beginning of the fiscal year.

Full-year forecasts of consolidated financial results for the fiscal year ending March 31, 2023

Due to concerns about a resurgence of COVID-19 and the situation in Russia and Ukraine, the economic outlook requires careful attention, but in Japan, and in Singapore and Australia, which are the two main areas where we are developing the business overseas, we expect demand for human resources to be robust.

In the Domestic WORK Business, the factory outsourcing domain, and the apparel and sales promotion segments of the sales outsourcing domain will remain affected by COVID-19, but in other domains we project strong demand. In addition, with the easing of restrictions on entering Japan, we expect human resources demand for foreign workers to gradually return to pre-COVID-19 levels. In a continuation of our initiatives in the fiscal year ended March 31, 2022, we plan to implement upfront investments (¥1,300 million) to increase the number of sales and consultants staff, and hire construction management engineers, for the focus areas of permanent placement in the nursing care domain, the construction management engineer human resources services domain, and the HR support for startups domain, and thus achieve our scenarios over the medium to long term.

In the Overseas WORK Business, business conditions are heading towards recovery in Singapore and Australia, and although we expect permanent placement demand to slow, we project that strong demand for human resources in the fiscal year under review will continue this fiscal year.

For the fiscal year ending on March 31, 2023, we forecast revenue of ¥140,000 million (¥6,500 million over the Plan target), operating profit of ¥5,600 million (¥250 million over), operating margin of 4.0% (in line with the Plan), profit before tax of ¥5,490 million, profit of ¥3,870 million, profit attributable to owners of parent of ¥3,330 million, and EBITDA of ¥7,670 million. The exchange rate assumptions underlying these forecasts are ¥79/SGD (¥83/SGD in the previous fiscal year) and ¥78/AUD (¥83/AUD in the previous fiscal year).

* The forward-looking statements above, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ significantly from these forecasts for a number of reasons. We will continue to carefully monitor the impact on the businesses of the Group, and make prompt disclosure in the event that revisions become necessary going forward.

2. Basic views on the selection of accounting standards

Based on its intention to further promote the global expansion of its business, and with the objective of helping to improve the international comparability of financial information in the capital markets, the Will Group has voluntarily adopted International Financial Reporting Standards (IFRS), beginning with the consolidated financial statements included in the annual securities report for the fiscal year ended March 31, 2019.

3. Consolidated financial statements and significant notes thereto**(1) Consolidated statement of financial position**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and cash equivalents	7,455	8,973
Trade and other receivables	14,694	17,458
Other financial assets	690	129
Other current assets	729	728
Total current assets	23,570	27,289
Non-current assets		
Property, plant and equipment	1,082	1,223
Right-of-use assets	5,715	6,809
Goodwill	6,155	6,514
Other intangible assets	6,049	6,154
Investments accounted for using equity method	495	477
Other financial assets	1,151	1,208
Deferred tax assets	1,678	1,850
Other non-current assets	863	822
Total non-current assets	23,190	25,061
Total assets	46,760	52,350

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trade and other payables	13,760	15,297
Borrowings	4,865	5,786
Other financial liabilities	3,600	5,245
Income taxes payable	514	1,195
Other current liabilities	2,048	1,836
Total current liabilities	24,790	29,361
Non-current liabilities		
Borrowings	3,923	2,202
Other financial liabilities	6,563	6,285
Deferred tax liabilities	1,289	1,202
Other non-current liabilities	166	177
Total non-current liabilities	11,943	9,867
Total liabilities	36,733	39,228
Equity		
Share capital	2,089	2,163
Capital surplus	(1,786)	(2,266)
Treasury shares	(279)	(274)
Other components of equity	(343)	464
Retained earnings	8,559	11,310
Total equity attributable to owners of parent	8,240	11,398
Non-controlling interests	1,786	1,723
Total equity	10,027	13,121
Total liabilities and equity	46,760	52,350

(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income
Consolidated statement of profit or loss

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Revenue	118,249	131,080
Cost of sales	94,192	102,314
Gross profit	24,056	28,765
Selling, general and administrative expenses	20,463	23,585
Other income	519	387
Other expenses	82	95
Operating profit	4,030	5,472
Share of loss of investments accounted for using equity method	(5)	(18)
Finance income	11	52
Finance costs	247	212
Profit before tax	3,788	5,293
Income tax expense	1,110	1,439
Profit	2,678	3,854
Profit attributable to		
Owners of parent	2,363	3,286
Non-controlling interests	314	568
Earnings per share		
Basic earnings per share (Yen)	106.35	147.03
Diluted earnings per share (Yen)	104.59	144.76

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	2,678	3,854
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	202	(92)
Total of items that will not be reclassified to profit or loss	202	(92)
Items that may be reclassified to profit or loss		
Cash flow hedges	9	(40)
Exchange differences on translation of foreign operations	1,534	963
Total of items that may be reclassified to profit or loss	1,544	922
Other comprehensive income, net of tax	1,747	829
Comprehensive income	4,425	4,683
Comprehensive income attributable to		
Owners of parent	4,038	4,100
Non-controlling interests	387	583

(3) Consolidated statement of changes in equity

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Total	Retained earnings	Total equity attributable to owners of parent	Non-controlling interests	Total
Balance as of April 1, 2020	2,033	(1,399)	(89)	(1,789)	6,478	5,233	1,890	7,123
Profit	-	-	-	-	2,363	2,363	314	2,678
Other comprehensive income	-	-	-	1,674	-	1,674	72	1,747
Comprehensive income	-	-	-	1,674	2,363	4,038	387	4,425
Dividends of surplus	-	-	-	-	(511)	(511)	-	(511)
Purchase of treasury shares	-	-	(189)	-	-	(189)	-	(189)
Disposal of treasury shares	-	-	-	-	-	-	-	-
Share-based payment transactions	56	120	-	-	-	176	-	176
Increase (decrease) by business combination	-	(506)	-	-	-	(506)	(500)	(1,006)
Transfer from other components of equity to retained earnings	-	-	-	(228)	228	-	-	-
Other	-	-	-	-	-	-	9	9
Total transactions with owners	56	(386)	(189)	(228)	(282)	(1,031)	(490)	(1,521)
Balance as of March 31, 2021	2,089	(1,786)	(279)	(343)	8,559	8,240	1,786	10,027
Profit	-	-	-	-	3,286	3,286	568	3,854
Other comprehensive income	-	-	-	813	-	813	15	829
Comprehensive income	-	-	-	813	3,286	4,100	583	4,683
Dividends of surplus	-	-	-	-	(541)	(541)	-	(541)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Disposal of treasury shares	-	(1)	5	-	-	3	-	3
Share-based payment transactions	73	108	-	-	-	182	-	182
Increase (decrease) by business combination	-	(587)	-	-	-	(587)	(641)	(1,228)
Transfer from other components of equity to retained earnings	-	-	-	(5)	5	-	-	-
Other	-	-	-	-	-	-	(6)	(6)
Total transactions with owners	73	(480)	5	(5)	(535)	(942)	(647)	(1,590)
Balance as of March 31, 2022	2,163	(2,266)	(274)	464	11,310	11,398	1,723	13,121

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	3,788	5,293
Depreciation and amortization	2,229	2,084
Share-based payment expenses	85	65
Decrease (increase) in trade receivables	1,488	(2,494)
Increase (decrease) in trade payables	72	580
Other	(1,312)	(4)
Subtotal	6,351	5,525
Interest and dividends received	7	9
Interest paid	(86)	(79)
Income taxes paid	(1,956)	(1,104)
Net cash provided by (used in) operating activities	4,316	4,350
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(589)	(741)
Purchase of securities	(46)	(63)
Proceeds from sale of securities	374	22
Purchase of investments accounted for using equity method	(350)	–
Other	179	475
Net cash provided by (used in) investing activities	(433)	(306)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,890	1,000
Proceeds from long-term borrowings	270	1,165
Repayments of long-term borrowings	(3,080)	(2,965)
Repayments of lease liabilities	(1,302)	(1,310)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(798)	(1,969)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	1,360
Dividends paid to non-controlling interests	(362)	(281)
Dividends paid	(511)	(540)
Proceeds from government grants	1,273	361
Other	(25)	222
Net cash provided by (used in) financing activities	(2,646)	(2,959)
Effect of exchange rate changes on cash and cash equivalents	274	432
Net increase (decrease) in cash and cash equivalents	1,511	1,517
Cash and cash equivalents at beginning of period	5,944	7,455
Cash and cash equivalents at end of period	7,455	8,973

(5) Notes to the consolidated financial statements**Notes on premise of going concern**

Not applicable.

Segment information, etc.**(1) Overview of reportable segments**

The Group determines reportable segments based on the operating segments that are components of the Group for which discrete financial information is available and regularly reviewed by the chief operating decision maker to make decisions about the allocation of management resources and assess the results of operations. The Group's reportable segments are comprised of the following two segments.

The details of each reportable segment are as follows:

Reportable segments	Business activities
Domestic WORK Business	Engaged primarily in temporary staffing, permanent placement and business process outsourcing services in Japan specifically for categories such as sales, call center, factory and care support facility, and HR support services centered on permanent employee placements for startups developed by for Startups, Inc.
Overseas WORK Business	Engaged primarily in temporary staffing and permanent placement in the ASEAN and Oceania regions.

In addition to the above, human resources service in the HR Tech field, livelihood support services for foreign workers, and operations of apartment building for IT engineers and creative personnel (Tech Residence) are included in the "Others" segment.

(2) Information of the reportable segments

The figures for profit for reportable segments are given on an operating profit basis.

The information of each reportable segment are as follows:

Fiscal year ended March 31, 2021

(Millions of yen)

	Reportable segments			Others	Adjustments (Notes 2 to 4)	Amount recorded in the consolidated financial statements
	Domestic WORK Business	Overseas WORK Business	Total			
Revenue						
External revenue	80,050	36,920	116,970	1,278	–	118,249
Intersegment revenue (Note 1)	53	–	53	7	(60)	–
Total	80,103	36,920	117,023	1,285	(60)	118,249
Segment profit	4,763	1,942	6,705	(413)	(2,262)	4,030
Other items						
Depreciation and amortization	1,139	616	1,755	87	386	2,229
Capital expenditures	295	901	1,197	7	187	1,393
Segment assets	23,919	18,543	42,462	2,771	1,526	46,760

(Note 1) Intersegment revenue is based on general market price.

(Note 2) Adjustments to segment profit of negative ¥2,262 million include intersegment eliminations of negative ¥11 million and corporate expenses not allocated to each business segment of negative ¥2,250 million. Corporate expenses mainly consist of general and administrative expenses that are not attributable to operating segments.

(Note 3) Adjustments to segment assets of ¥1,526 million mainly consist of corporate assets that are not attributable to operating segments and are owned by the Company.

(Note 4) Adjustments to depreciation and amortization of ¥386 million mainly represent depreciation of corporate assets not attributable to each operating segment.

Fiscal year ended March 31, 2022

(Millions of yen)

	Reportable segments			Others	Adjustments (Notes 2 to 4)	Amount recorded in the consolidated financial statements
	Domestic WORK Business	Overseas WORK Business	Total			
Revenue						
External revenue	80,726	48,746	129,473	1,607	–	131,080
Intersegment revenue (Note 1)	58	–	58	8	(67)	–
Total	80,784	48,746	129,531	1,615	(67)	131,080
Segment profit	4,448	3,348	7,796	(342)	(1,981)	5,472
Other items						
Depreciation and amortization	1,089	667	1,756	87	240	2,084
Capital expenditures	2,020	1,568	3,589	48	146	3,784
Segment assets	26,241	22,391	48,633	2,449	1,267	52,350

(Note 1) Intersegment revenue is based on general market price.

(Note 2) Adjustments to segment profit of negative ¥1,981 million include intersegment eliminations of negative ¥1 million and corporate expenses not allocated to each business segment of negative ¥1,980 million. Corporate expenses mainly consist of general and administrative expenses that are not attributable to operating segments.

(Note 3) Adjustments to segment assets of ¥1,267 million mainly consist of corporate assets that are not attributable to operating segments and are owned by the Company.

(Note 4) Adjustments to depreciation and amortization of ¥240 million mainly represent depreciation of corporate assets not attributable to each operating segment.

(3) Matters pertaining to changes in reportable segments

In terms of the accounting method for reportable business segments, we had previously adopted a method based on Japanese GAAP to which certain adjustments were made. After one of its regular reviews of segment information, the Group decided to align the accounting method with the accounting policies of the Group from the first quarter of the fiscal year ended March 31, 2022. Following this change, reportable segment information for the previous fiscal year has been restated.

(3) Information by region

(i) External revenue

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Japan	81,294	82,333
Australia	30,405	38,186
Asia	6,549	10,560
Total	118,249	131,080

Note: Classifications of revenue are based on countries where customers are located. However, countries that are not individually material are grouped into a geographical region.

(ii) Non-current assets (excluding financial assets and deferred tax assets)

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Japan	10,976	12,211
Australia	5,378	6,394
Asia	3,510	3,395
Total	19,865	22,001

(4) Information about major customers

This information is omitted because no customer accounted for 10% or more of the Group's consolidated revenue for a single classification of external revenue.

Per share information

The basis of calculation of basic earnings per share and diluted earnings per share attributable to ordinary shareholders is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Basis of calculation of basic earnings per share		
Profit attributable to owners of parent	2,363	3,286
Profit not attributable to ordinary shareholders of parent	–	–
Profit used for calculation of the basic earnings per share	2,363	3,286
Weighted average number of ordinary shares (Thousands of shares)	22,226	22,351
Basic earnings per share (Yen)	106.35	147.03
Basis of calculation of diluted earnings per share		
Profit used for calculation of the basic earnings per share	2,363	3,286
Adjustments of profit	–	–
Profit used for calculation of the diluted earnings per share	2,363	3,286
Weighted average number of ordinary shares (Thousands of shares)	22,226	22,351
Increase in number of ordinary shares by share acquisition rights (Thousands of shares)	375	349
Weighted average number of ordinary shares after dilution (Thousands of shares)	22,602	22,701
Diluted earnings per share (Yen)	104.59	144.76
Summary of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect	Share acquisition rights issued by resolution of the Board of Directors in July 2017: 494 units (Ordinary shares: 49,400 shares)	Share acquisition rights issued by resolution of the Board of Directors in February 2018: 4,850 units (Ordinary shares: 485,000 shares)

Note: The Company's own shares that remain in the executive stock compensation trust recorded as treasury shares in shareholders' equity are included in the treasury shares that are deducted from the average number of shares outstanding during the period when calculating earnings per share. The average number of treasury shares during period deducted in calculating the basic earnings per share for the previous fiscal year was 98,953, and for the current fiscal year was 281,368.

Significant subsequent event

Not applicable.