



YUMESHIN HOLDINGS CO.,LTD.

Financial Results for the Three Months Ended December 31, 2014

February 10, 2015

February 10, 2015 version

September.2015
Securities code

2362

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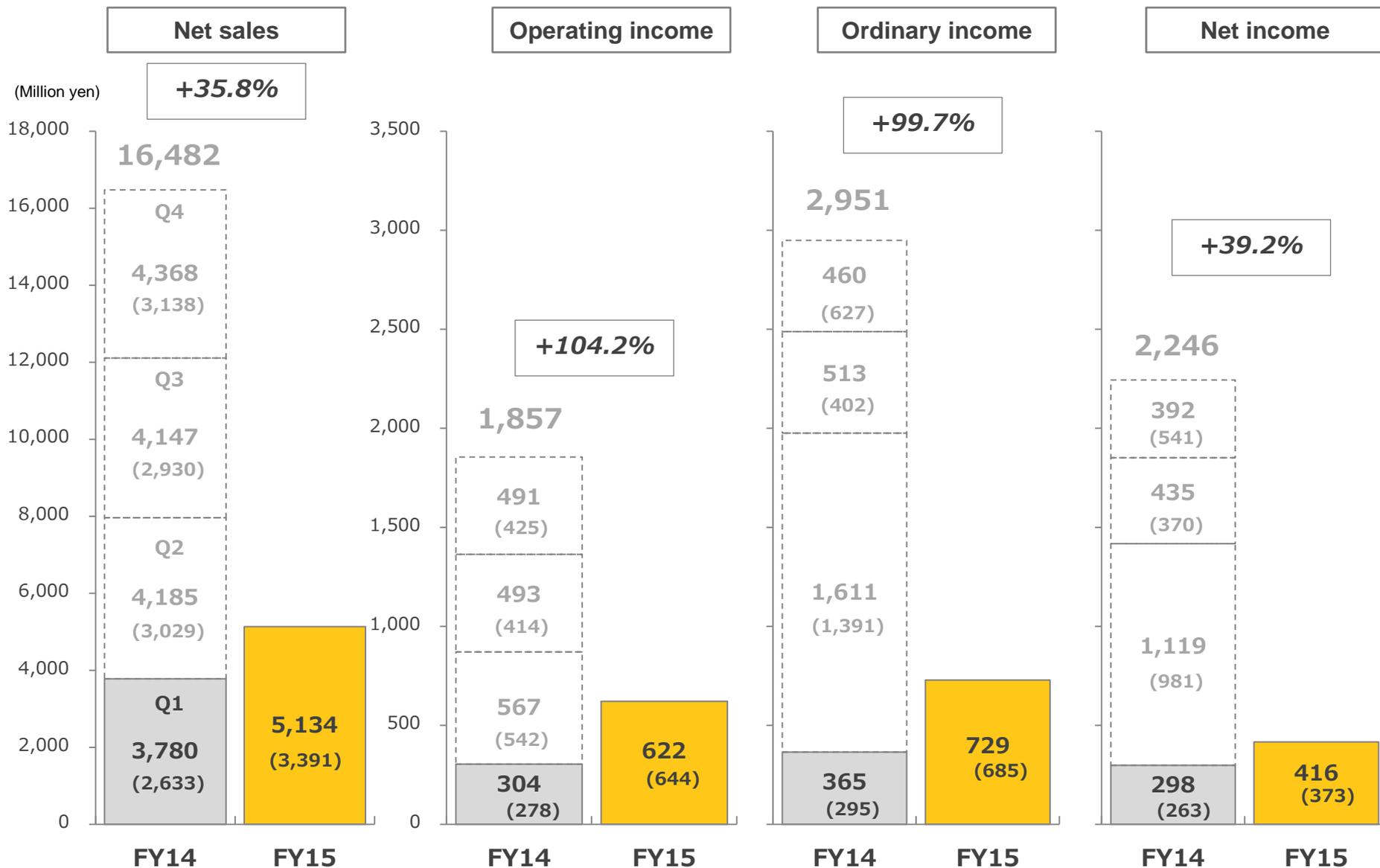
Consolidated Financial Overview

TOPIC

- 1 . Sales up 36%**
- 2 . Operating income up 104%**
- 3 . Started “Comprehensive construction business”**

Consolidated P/L Statement

Consolidated P/L

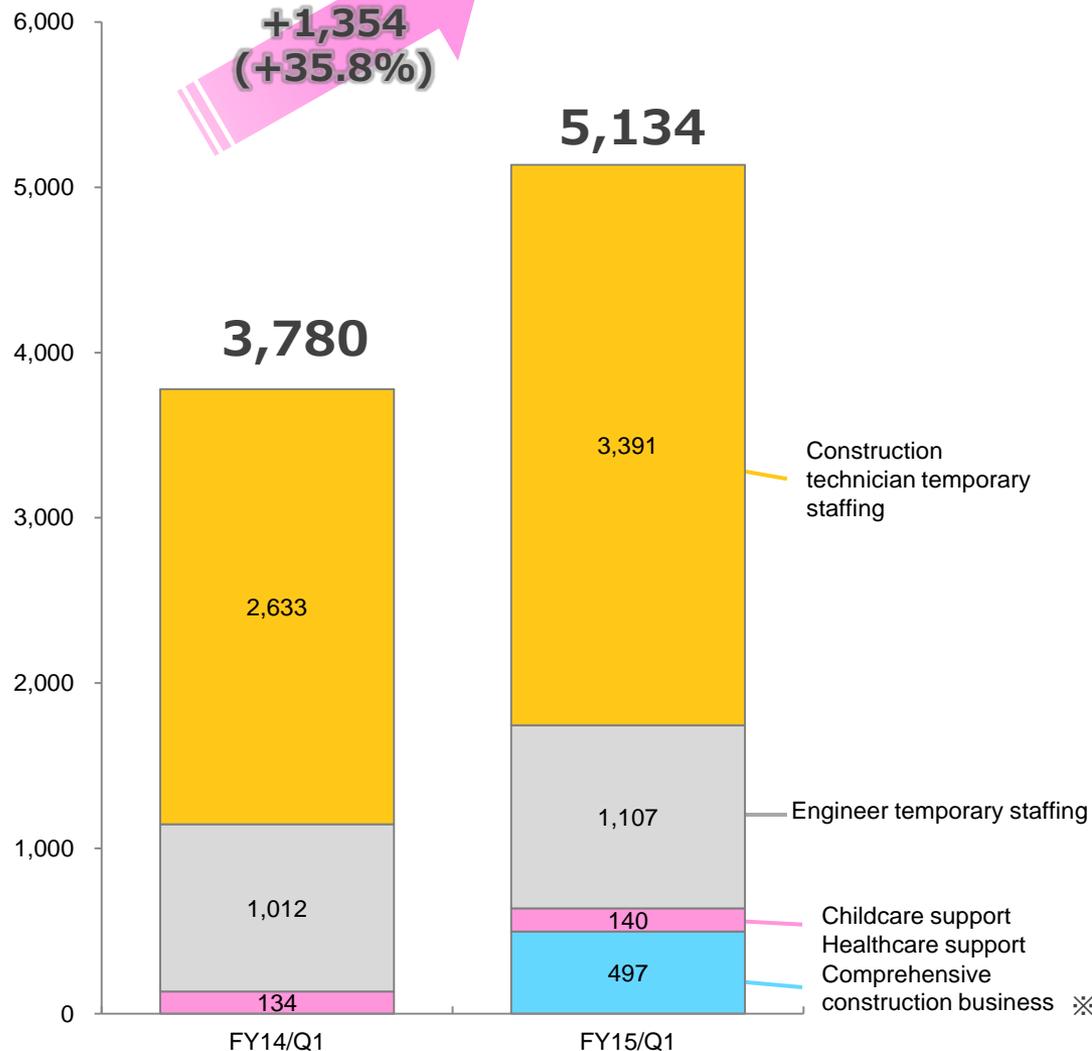


※ () = Construction technician temporary staffing (non-consolidated)

Consolidated P/L (1) Net Sales

(Million yen)

+1,354
(+35.8%)



【Major factors for increase/decrease】

Construction technician temporary staffing **+758million**
(+28.8%)

- Sales up due to increase in staff at work

Engineer temporary staffing **+95million**
(+9.4%)

- Sales up due to increase in staff at work

Childcare support **+5million**
Healthcare support **(+4.2%)**

- Sales up due to increase in facility users

Comprehensive construction **+497million**

- Construction of high-grade custom house

※1. Comprehensive construction business was consolidated from the current fiscal year

※2. For the details of each segment, please refer to the p.25 and after

Consolidated P/L (2)

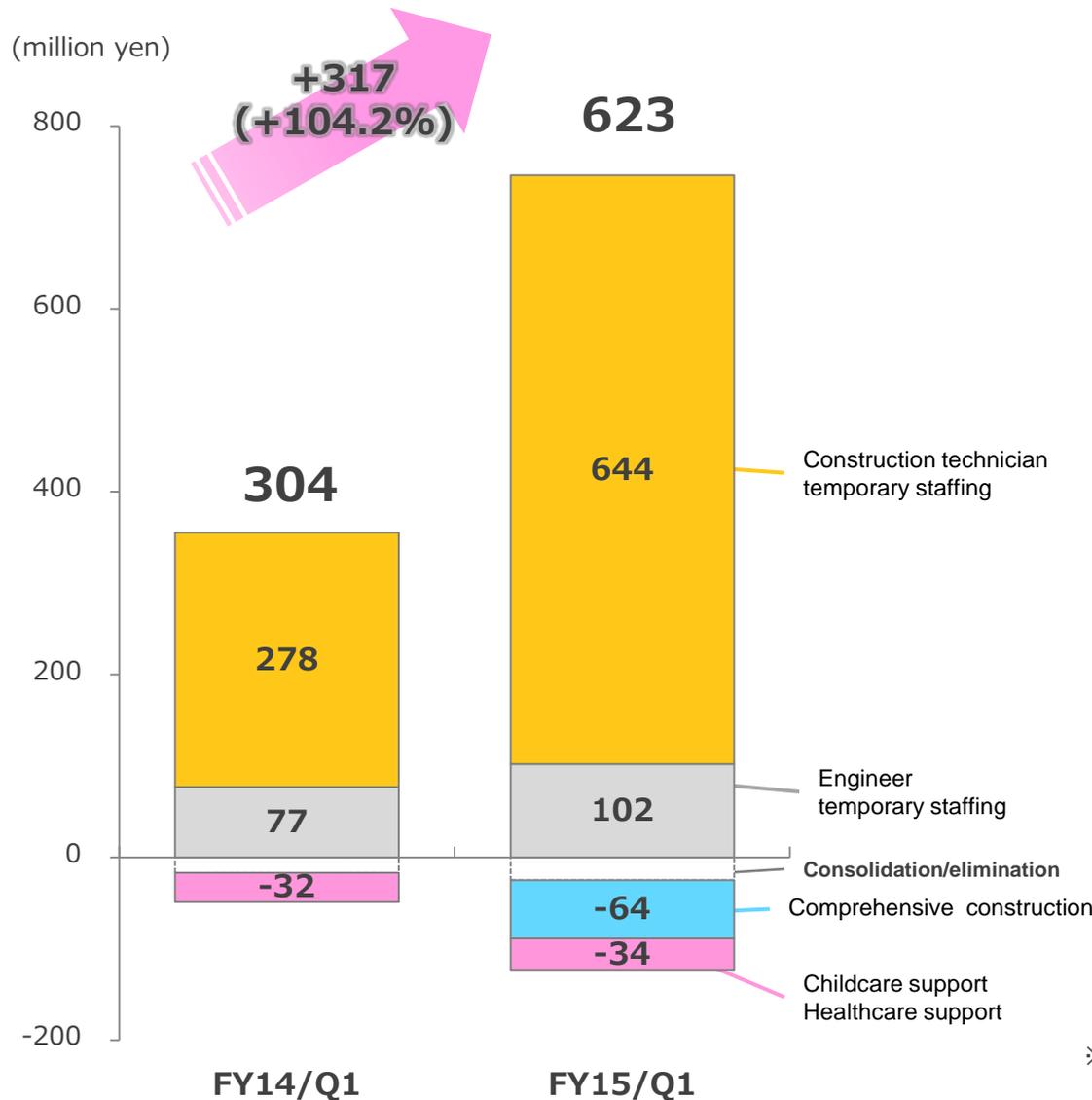
Selling, General and Administrative Expenses

(million yen)

	FY14/Q1	FY15/Q1	Change	Remarks
Cost of sales	2,775	3,735	+959	<i>Increased due to increase in engineers</i>
<i>Cost of sales ratio</i>	73.4%	72.8%	▲ 0.7pt.	
Gross profit	1,004	1,399	+394	
<i>Gross profit</i>	26.6%	27.3%	0.7pt.	<i>Increased due to improvement in unit cost of temporary staffing</i>
SG&A expenses	699	776	+76	
<i>Executive compensation</i>	25	32	+6	
<i>Personnel expenses</i>	356	395	+39	<i>Increased due to increase in sales staff</i>
<i>Ad expenses</i>	26	26	▲ 0.2	
<i>Recruiting cost</i>	103	103	+0.8	
<i>Outsourcing expenses</i>	39	38	▲ 1	
<i>Provision of allowance for doubtful accounts</i>	13	2	▲ 10	
<i>Amortization of goodwill</i>	20	30	+9	
<i>SG&A expenses ratio</i>	18.5%	15.1%	▲ 3.4pt.	

* Personnel expenses=Salaries and allowances + Bonuses +Benefit costs +Retirement benefit expenses (except executives)

Consolidated P/L Statement (3) Operating Income



【Major factors for increase/decrease】

Construction technician temporary staffing +366million (+131.7%)

- Growth in income due to Improvement in operating rate and increase in unit cost of temporary staffing

Engineer temporary staffing +25million (+33.2%)

- Growth in income due to increase in staff at work

Childcare support Healthcare support ▲2million (▲6.0%)

- Fall in income due to decrease in the number of temporary childcare worker

Comprehensive construction ▲64million

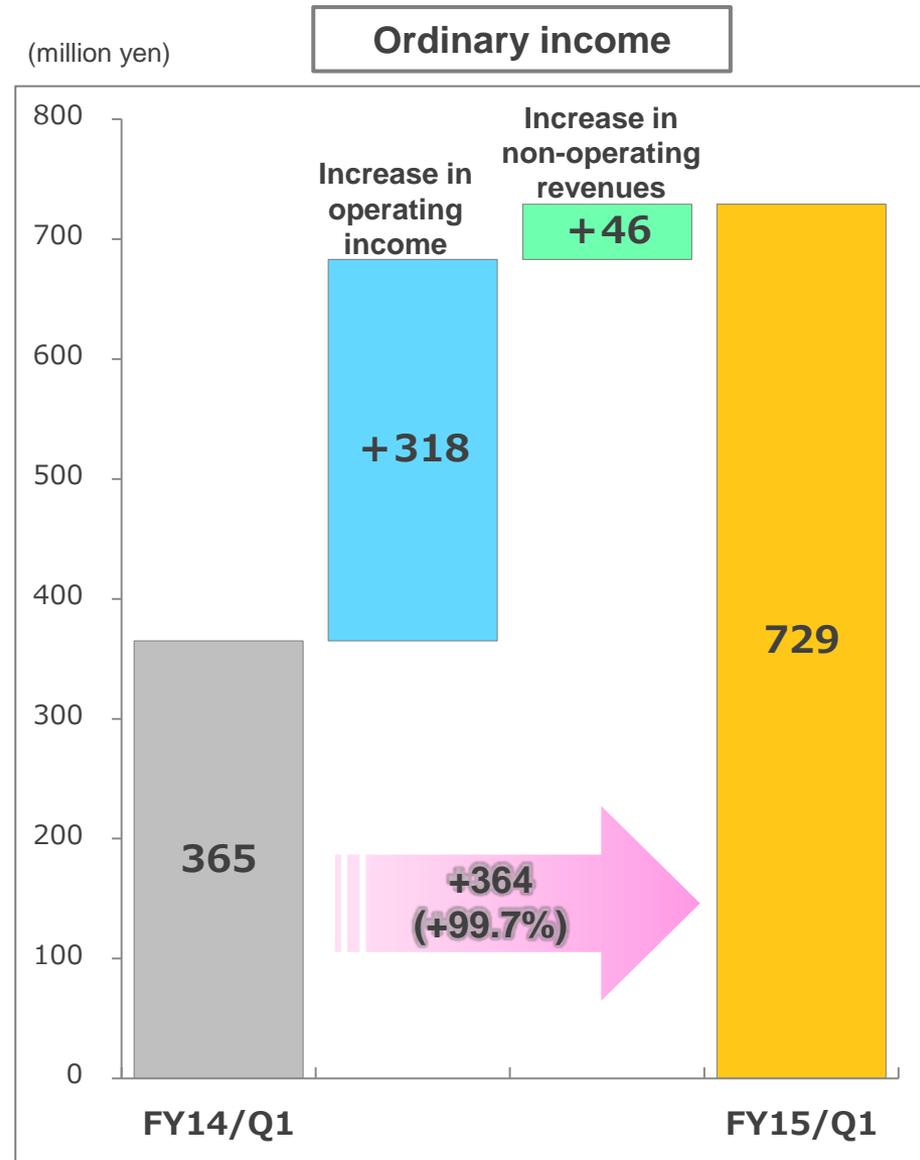
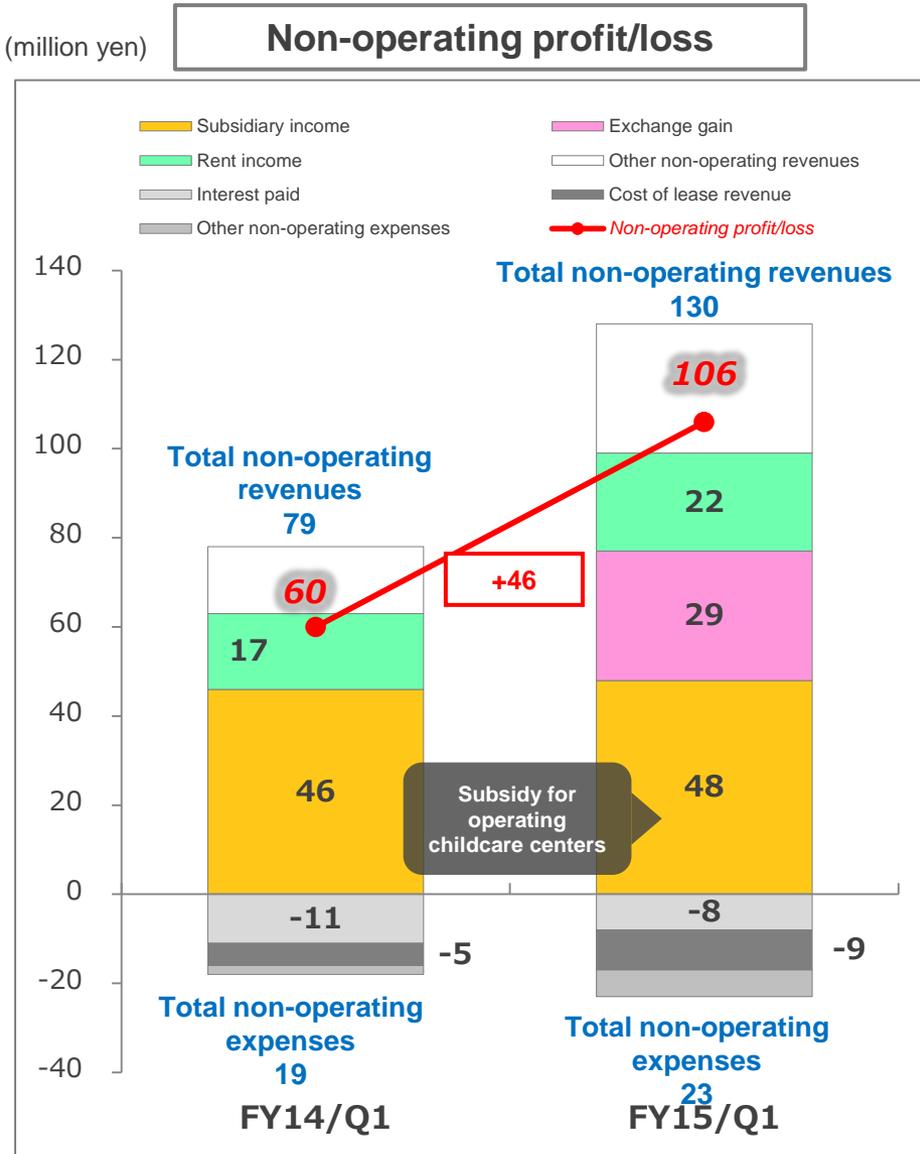
- Construction of high-grade custom house

※1. Comprehensive construction business was consolidated from the current fiscal year

※2. For the details of each segment, please refer to the p.25 and after

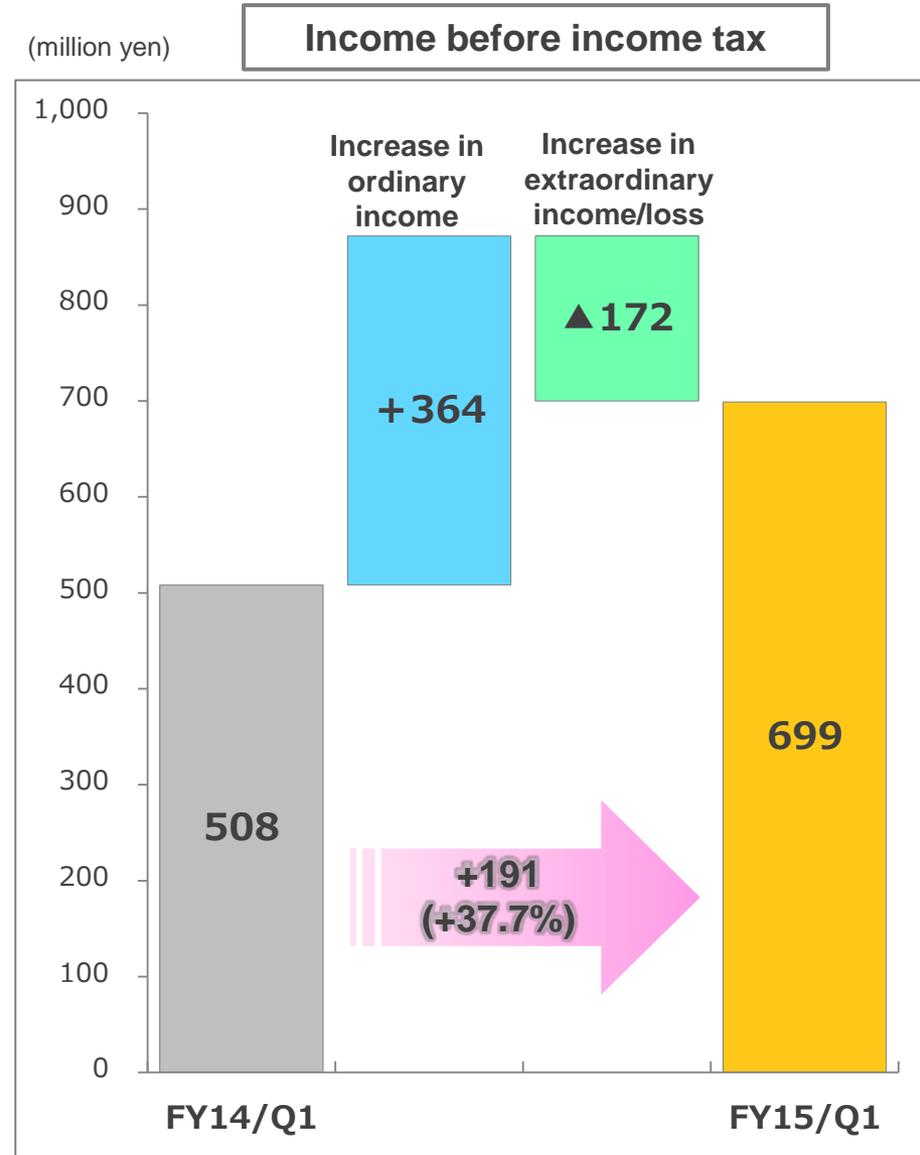
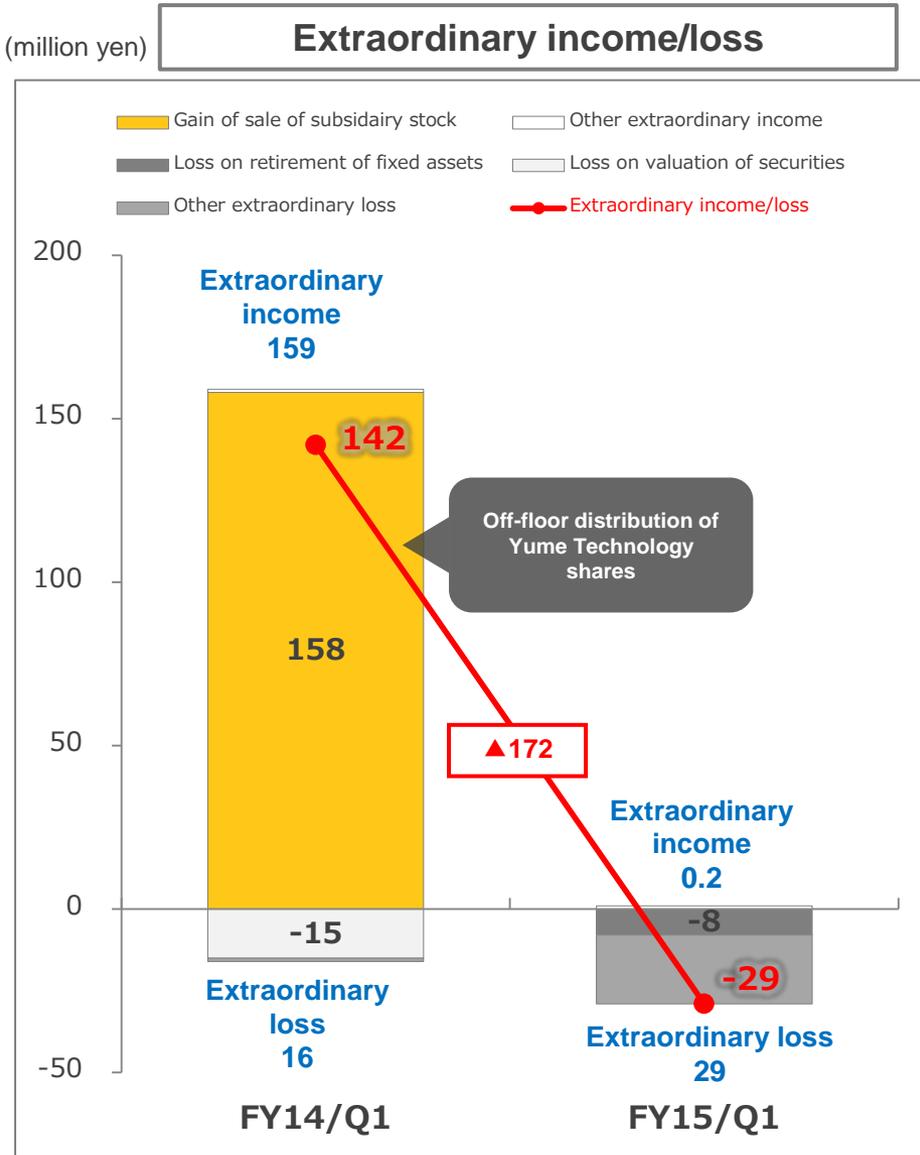
Consolidated P/L (4)

Non-operating Profit/Loss and Ordinary Income

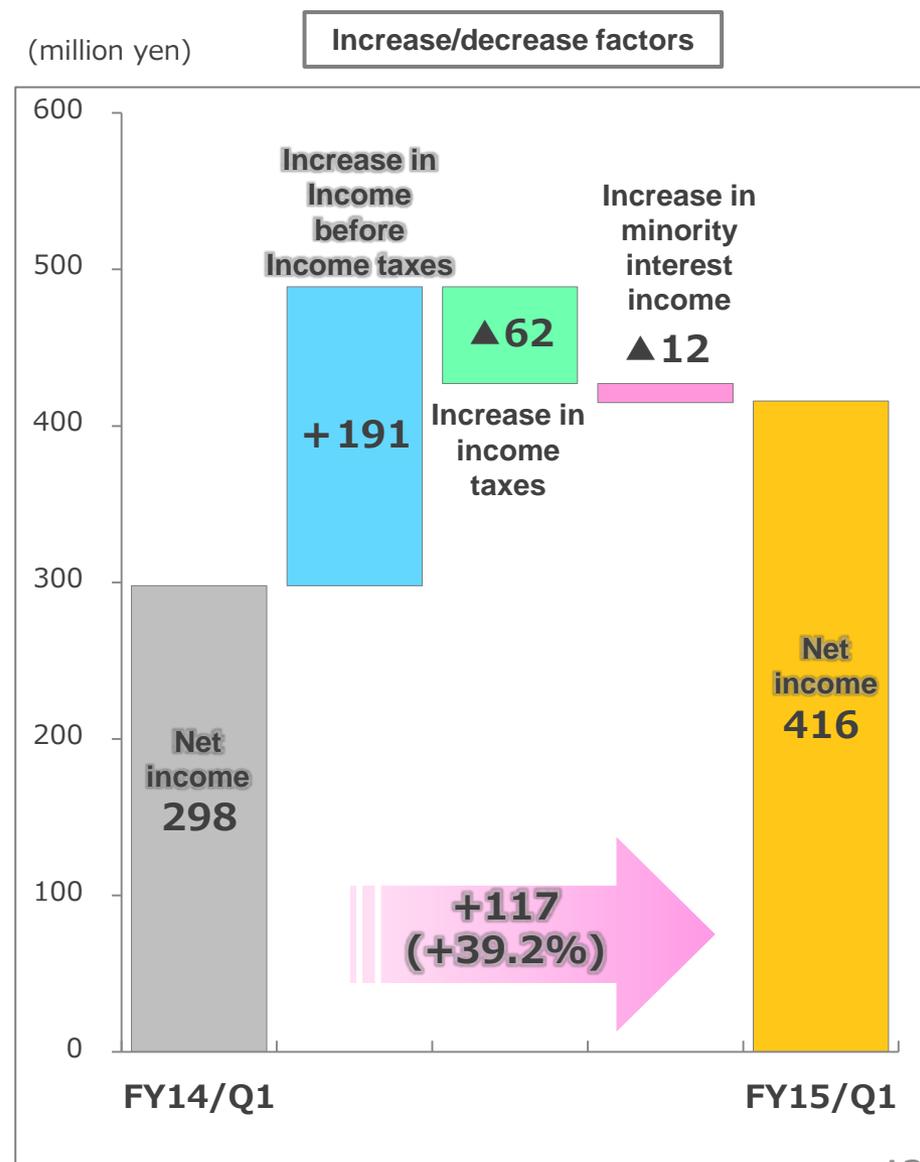
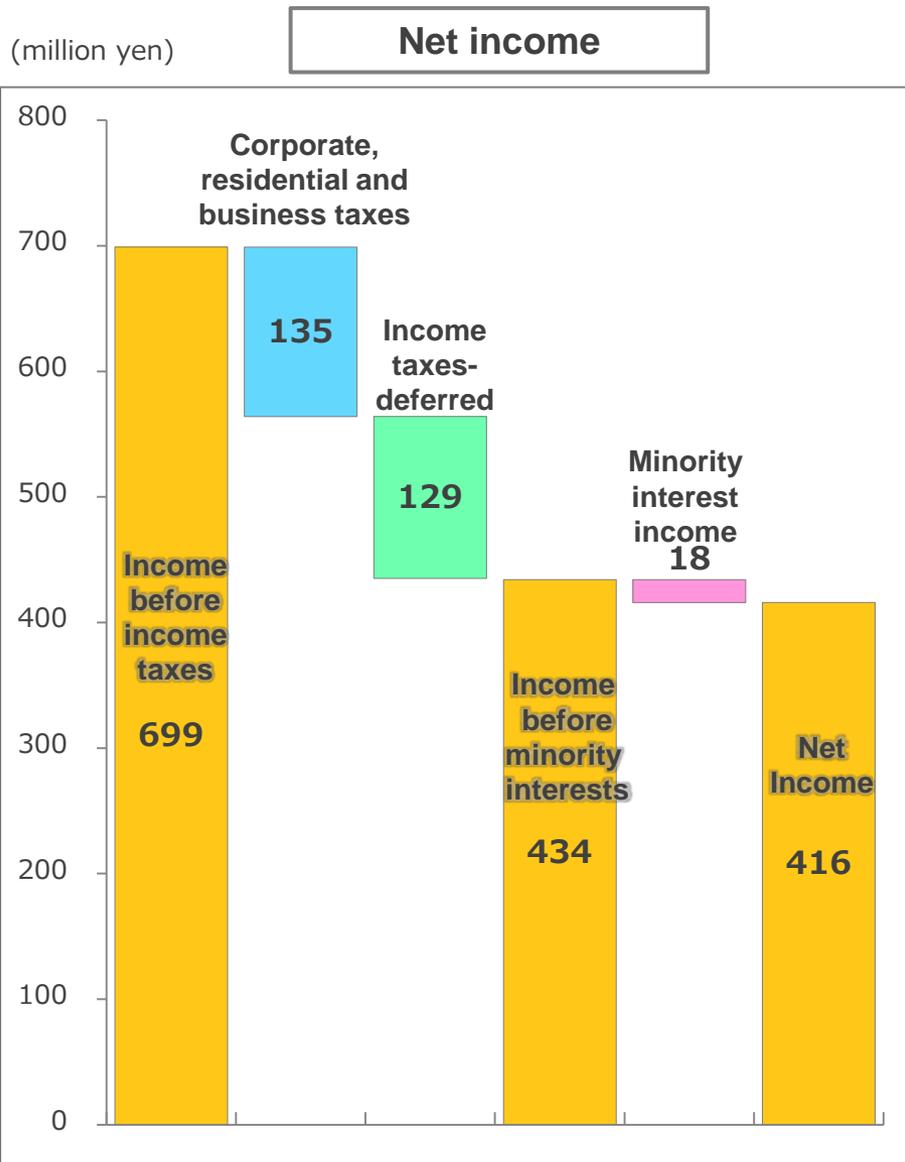


Consolidated P/L (5)

Extraordinary Income/Loss and Income Before Income Tax



Consolidated P/L (6) Net Income



Summary of Consolidated P/L Statement

(million yen)

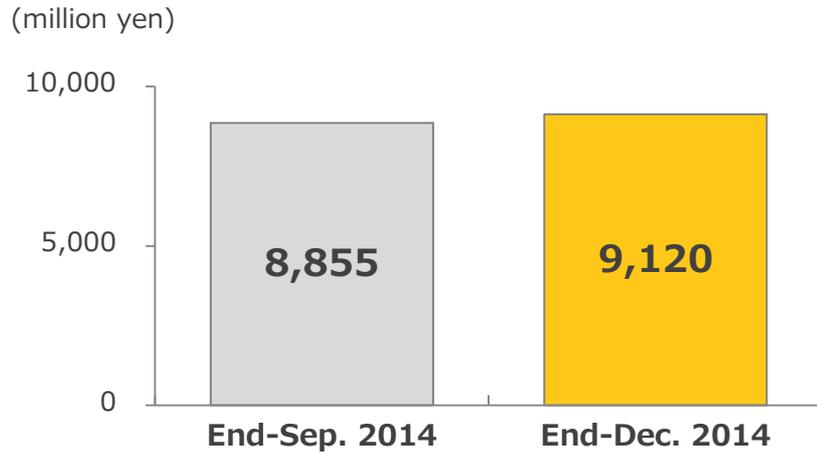
	FY14/Q1	FY15/Q1	Change	Pct. change
Net sales	3,780	5,134	+1,354	35.8%
<i>Gross profit</i>	1,004 (26.6%)	1,399 (27.3%)	+394	39.3%
<i>SG&A expenses</i>	699 (18.5%)	776 (15.1%)	+77	11.1%
Operating income	304 (8.1%)	622 (12.1%)	+317	104.2%
Ordinary income	365 (9.7%)	729 (14.2%)	+364	99.7%
Net income	298 (7.9%)	416 (8.1%)	+117	39.2%

※ () = Percentage of sales

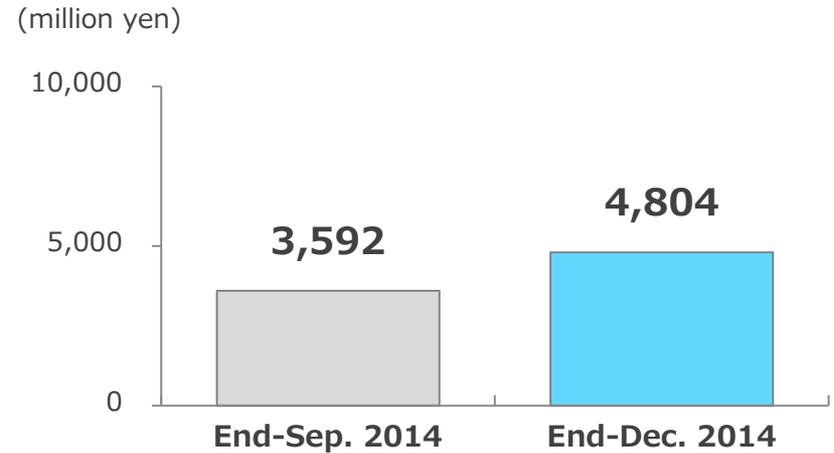
Consolidated B/S

Consolidated B/S

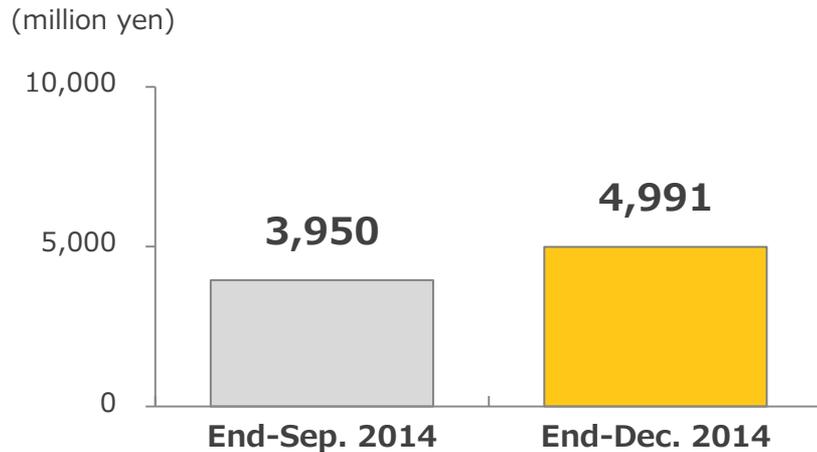
Current assets



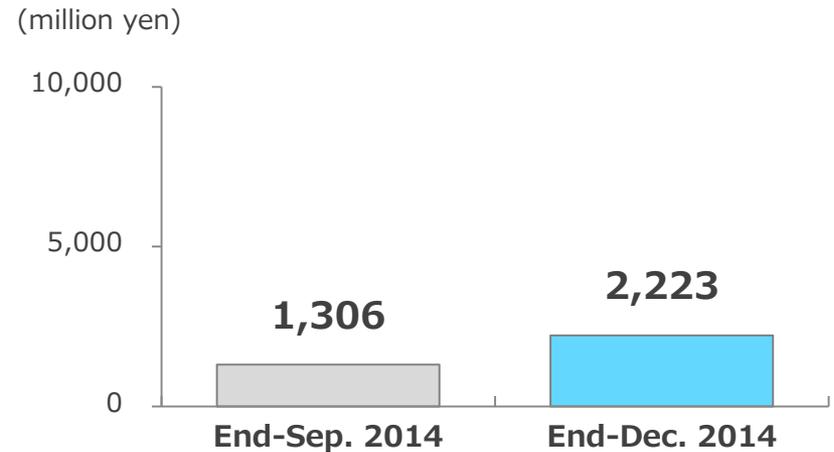
Current liabilities



Fixed assets



Fixed liabilities



Consolidated B/S (1) Assets

(million yen)

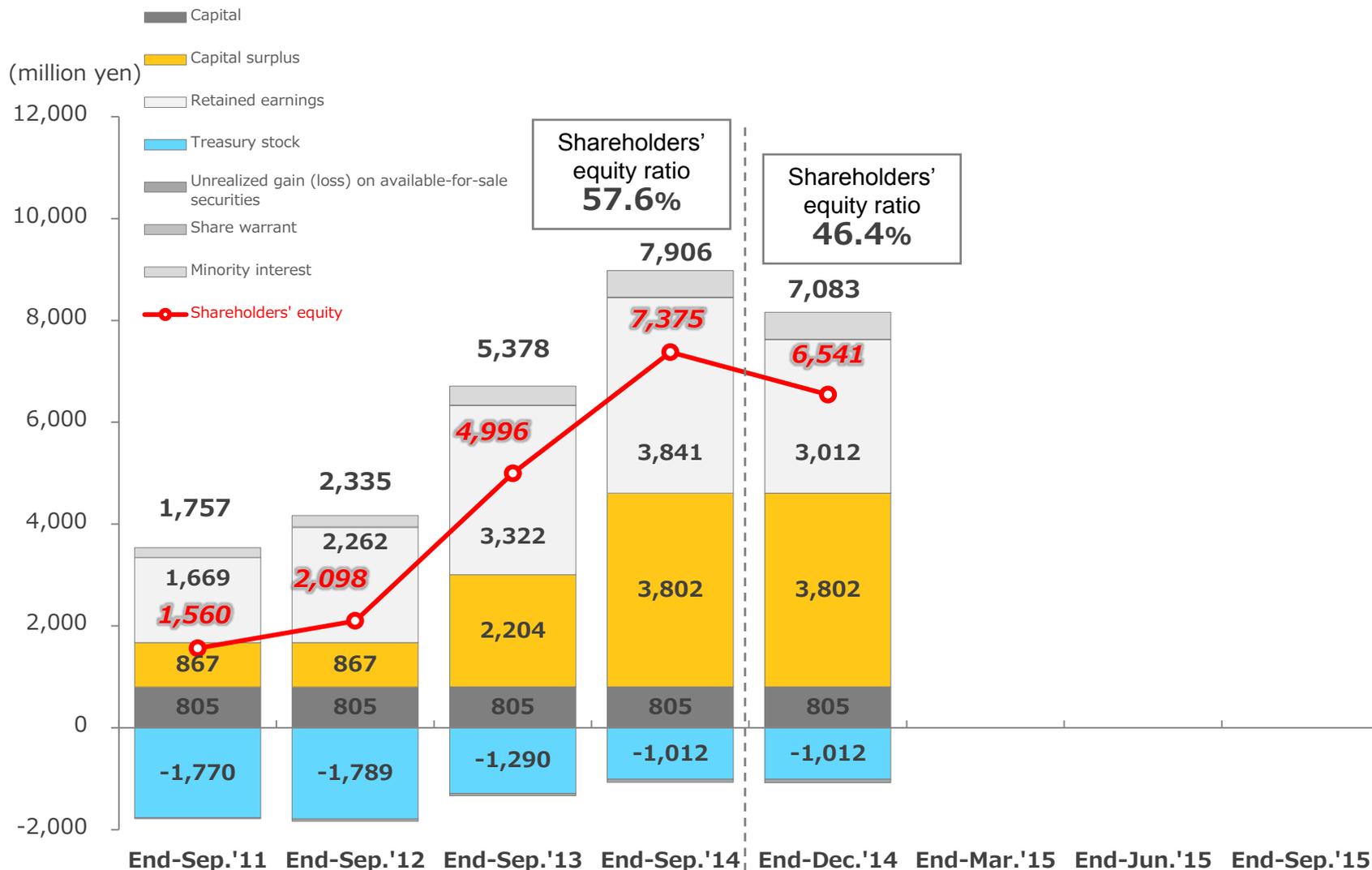
	End-Sep. 2014	End-Dec. 2014	Change	Remarks
Assets	12,806	14,111	+1,305	
Current assets	8,855	9,120	+264	
Cash and deposits	5,755	5,353	▲401	
Notes and accounts receivable-trade	2,523	2,518	▲5	
Securities	—	—	—	
Inventory assets	0.9	694	+693	<i>Increased due to costs on uncompleted construction contract of comprehensive construction business</i>
Deferred tax assets	257	127	▲129	
Allowance for doubtful accounts	▲31	▲31	+0.1	
Fixed assets	3,950	4,991	+1,040	
Tangible fixed assets	1,946	2,100	+153	
Buildings and structures	1,018	1,124	+106	
Machinery, delivery equipment	11	11	▲0.6	
Land	863	863	0	
Lease asset	37	73	+36	
Intangible fixed assets	415	1,002	+587	
Goodwill	390	964	+574	<i>Increased due to consolidation of Iwamotogumi</i>
Lease asset	6	6	▲0.5	
Investments and other assets	1,588	1,888	+300	
Investment securities	1,071	1,390	+318	<i>Increased due to pure investment</i>
Long-term debt	80	74	▲5	
Deferred tax assets	10	12	+1	
Allowance for doubtful accounts	▲46	▲49	▲2	

Consolidated B/S (2) Liabilities and Net Assets

(million yen)

	End-Sep. 2014	End-Dec. 2014	Change	Remarks
Liabilities	4,899	7,027	+2,128	
Current liabilities	3,592	4,804	+1,211	
Account payable-trade	11	8	▲3	
Short-term debt	100	433	+333	<i>Increase due to loan on working capital</i>
Current portion of long-term debt	756	1,009	+253	
Income taxes payable	879	129	▲750	
Accrued expenses	799	1,084	+285	
Reserve for bonuses	239	106	▲132	
Fixed liabilities	1,306	2,223	+916	
Long-term debt	892	1,737	+845	<i>Increase due to loan on working capital</i>
Lease obligations	28	61	+32	
Reserve for employees' retirement benefits	287	305	+17	
Net assets	7,906	7,083	▲822	
Shareholders' equity	7,436	6,607	▲829	
Capital	805	805	0	
Capital surplus	3,802	3,802	0	
Retained earnings	3,841	3,012	▲829	<i>Net income – Year-end dividend for FY14</i>
Treasury stock	▲1,012	▲1,012	0	
Accumulated other comprehensive income	▲60	▲65	▲4	
Valuation difference on available-for-sale	▲60	▲64	▲3	
Share warrant	12	12	+0.1	
Minority interest	518	530	+11	

Consolidated B/S (3) Shareholders' Equity



*Shareholders' equity= Net assets – Minority interest – Share warrant

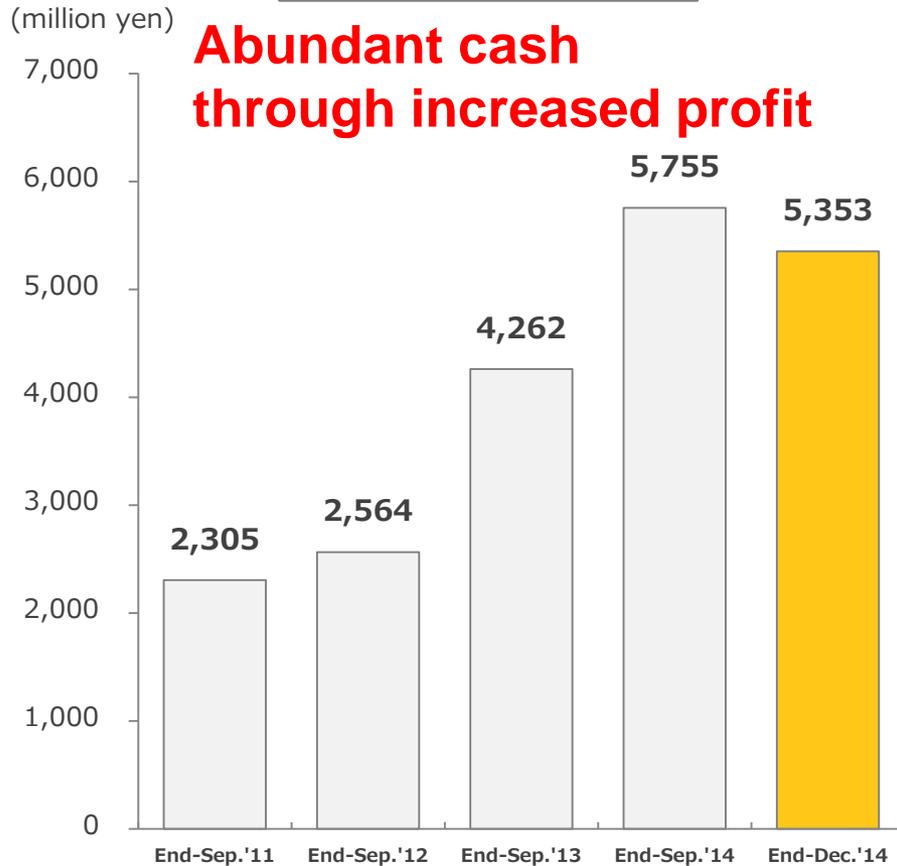
FY2015

Financial Index

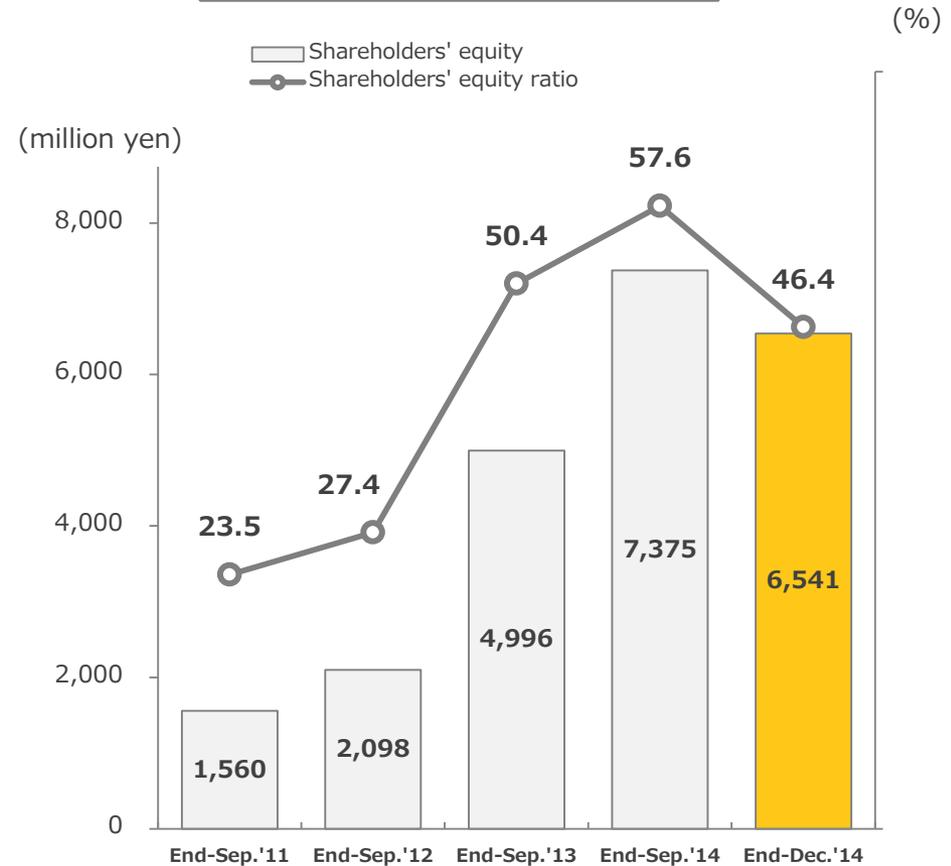
Financial Index (1)

Liquidity in Hand and Shareholders' Equity

Liquidity in hand



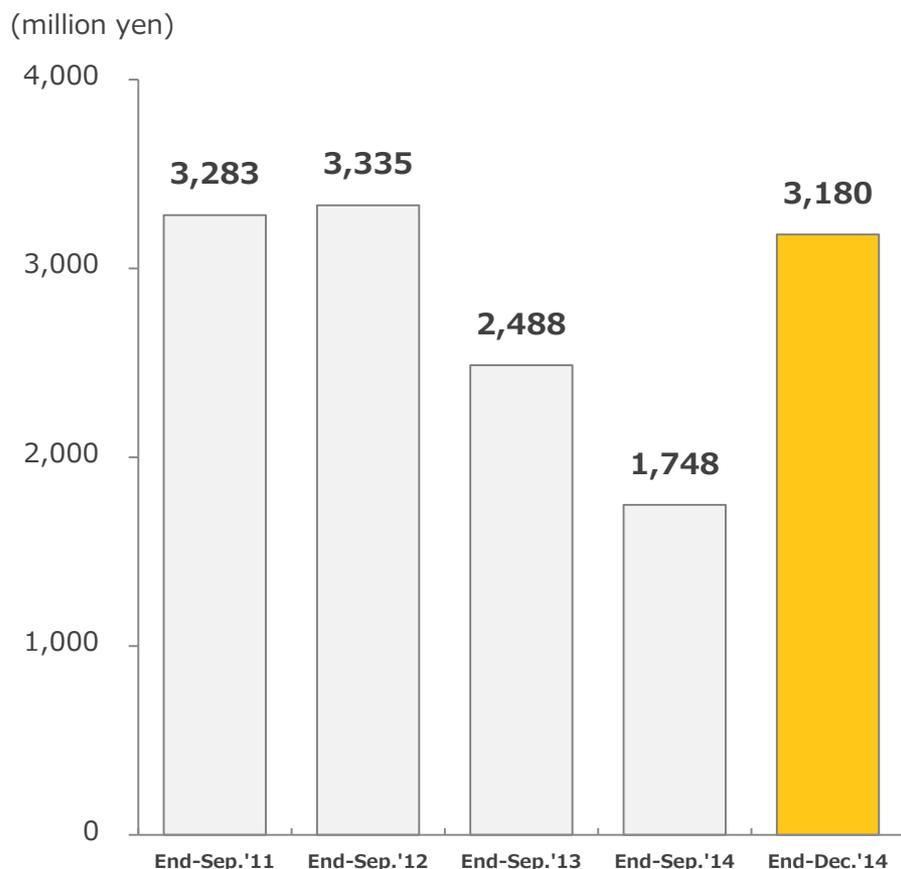
Shareholders' equity ratio



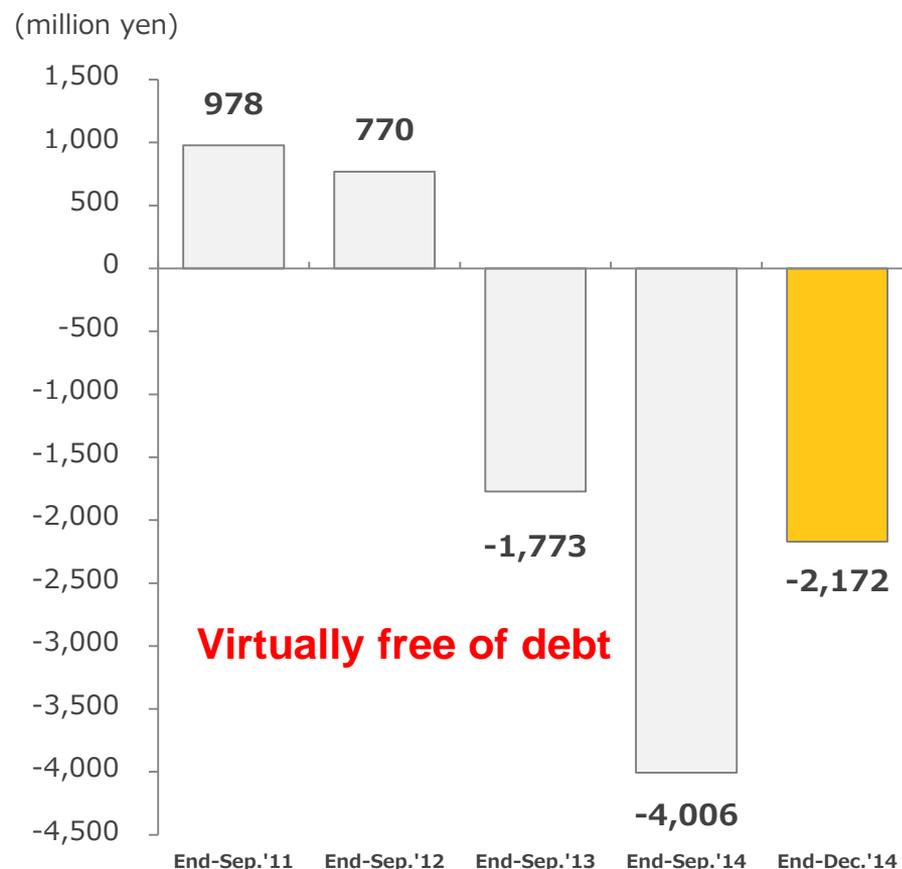
- *1. Liquidity in hand = Cash and deposits+ Securities included in current assets
- *2. Shareholders' equity = Net assets - Minority interest - Share warrant
- *3. Shareholders' equity ratio = Shareholders' equity ÷ Total assets

Financial Index (2) Interest-bearing Debt

Interest-bearing debt



Net interest-bearing debt



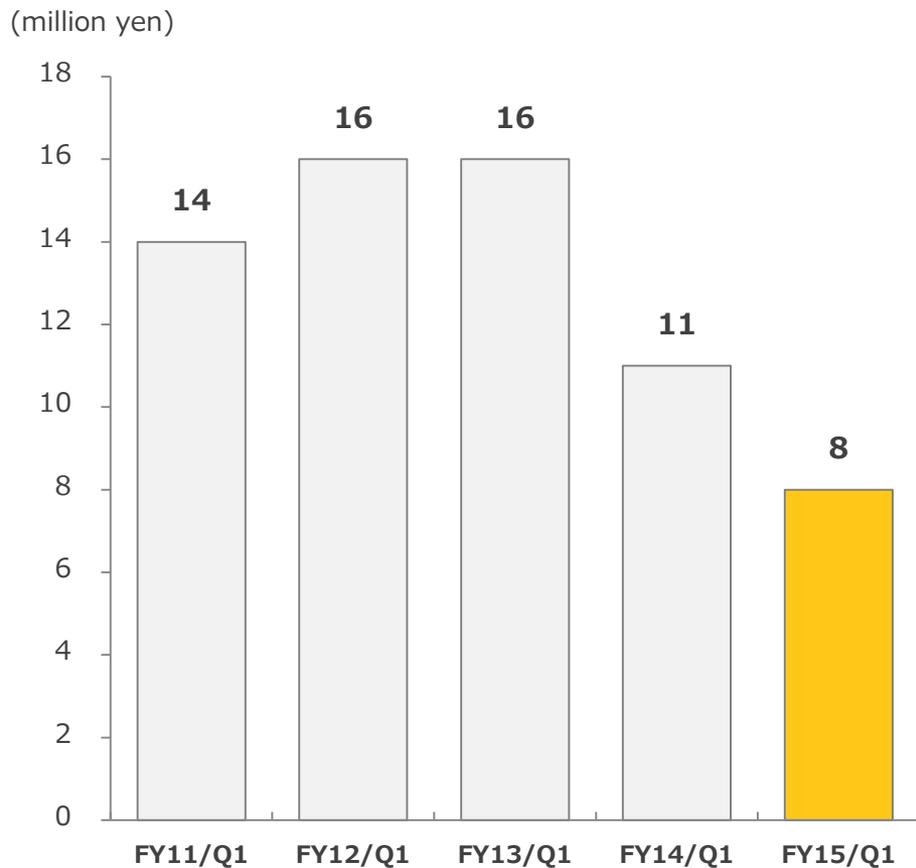
*1. Interest-bearing debt = Short-term debt+ Long-term debt+ Current portion of long-term debt+ Bond (lease liability not included)

*2. Net interest-bearing debt = Interest-bearing debt - Liquidity in hand

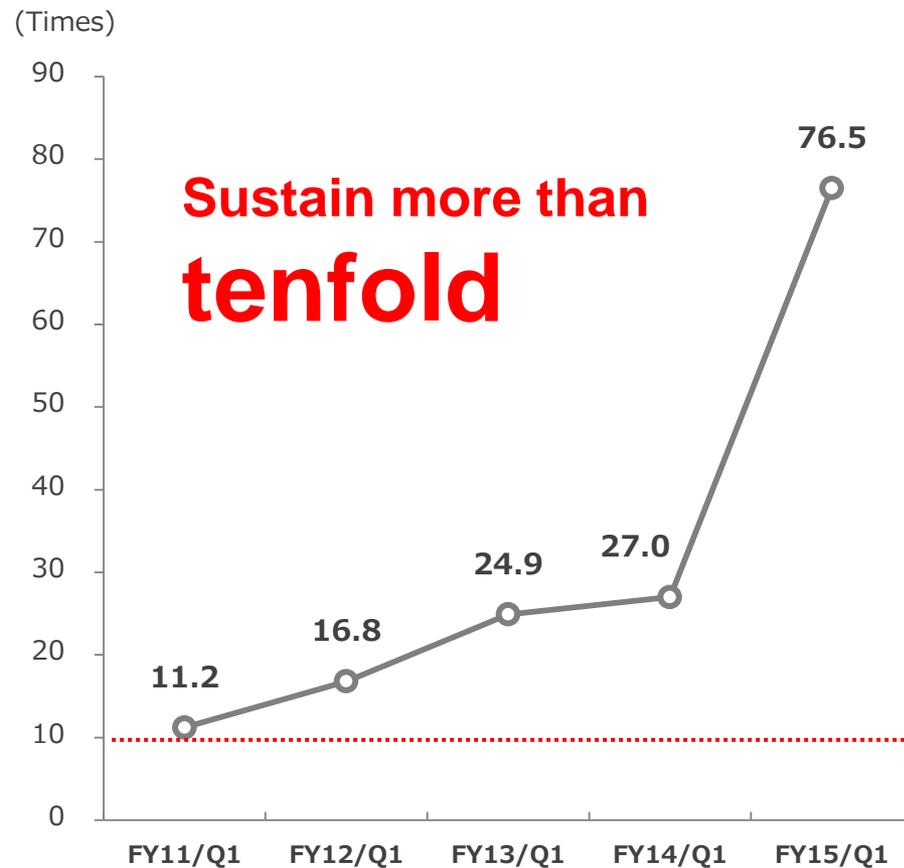
*3. Liquidity in hand = Cash and deposits+ Securities included current assets

Financial Index (3) Interest Paid and ICR

Interest paid



ICR

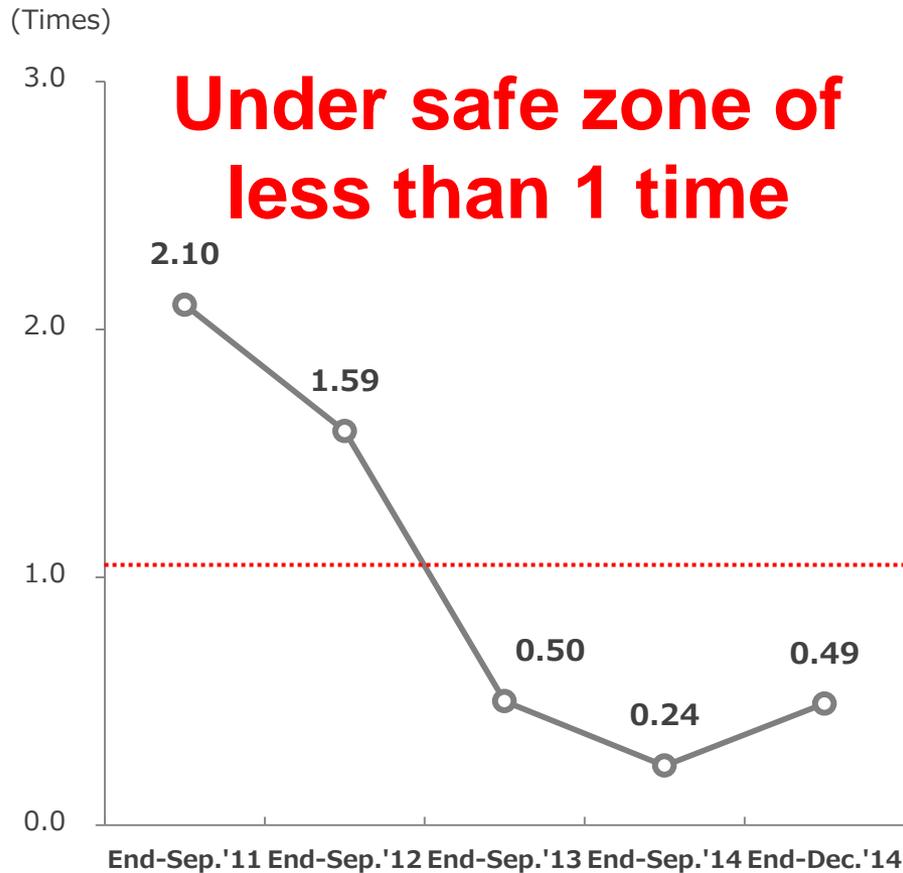


*1. Instant coverage ratio (ICR) = Net operating profit ÷ Interest paid

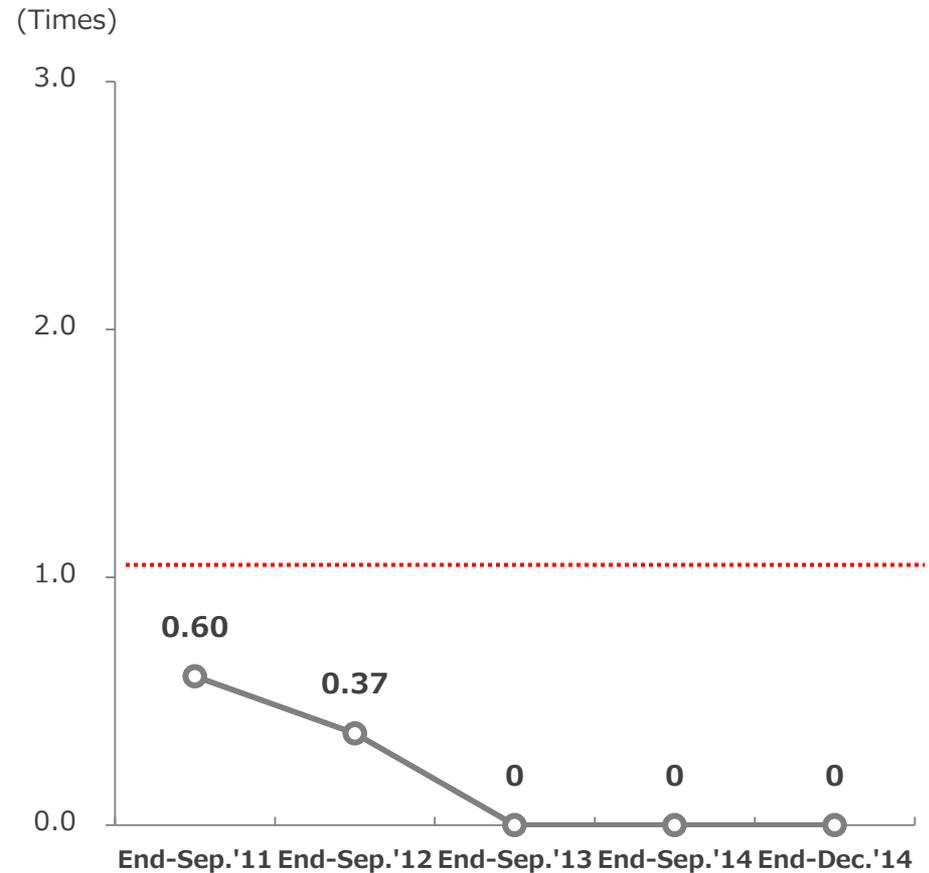
2. Net operating profit = Operating income + Interest received + Investment gain/loss on equity method

Financial Index (4) D/E Ratio

D/E ratio



Net D/E ratio



- ※ 1. D/E ratio = Interest-bearing debt ÷ Shareholders' equity
- 2. Net D/E ratio = Net interest-bearing debt ÷ Shareholders' equity
- 3. Net interest-bearing debt = Interest-bearing debt - Liquidity in hand
- 4. Interest-bearing debt = Short-term debt + Long-term debt + Current portion of long-term debt + Bond (lease liability not included)
- 5. Liquidity in hand = Cash and deposits + Securities included current assets

Summary of Financial Index

(million yen)

	End-Sep. '14	End-Dec. '14	Change
Shareholders' equity	7,375	6,541	▲834
Shareholders' equity ratio	57.6%	46.4%	▲11.2pt.
Liquidity in hand	5,755	5,353	▲401
Interest-bearing debt	1,748	3,180	+1,432
D/E ratio	0.24times	0.49times	+0.25pt.

Segment Overview

Construction Technician Temporary Staffing

TOPIC

- 1 . Net sales up 29%**
- 2 . Operating income up 132%**
- 3 . Increase in unit cost average
of total engineer**

Four Indicators of Sales

No. of engineers

×

Operating rate

×

Operating time

×

Unit cost of
temporary staffing



Sales

Number of Engineers (1) Recruitment

- Did not reach the plan in 1Q ⇒ Favorable with hiring over 140 engineers in January

(Unit: Persons)

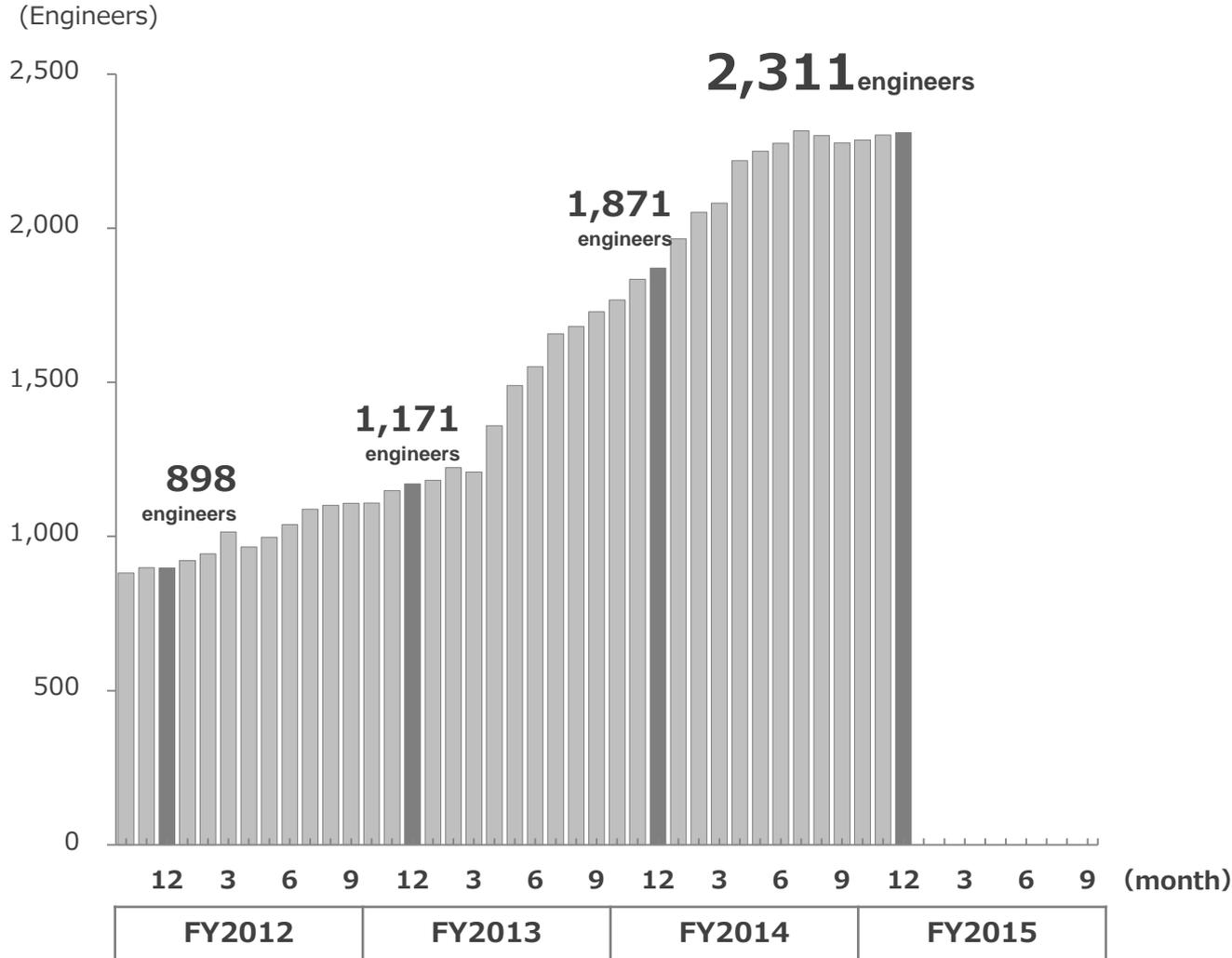
	Oct	Nov	Dec	Jan	Feb	Mar	Oct – Mar total
FY15 Planned recruitment	305			405			710
FY15 recruitment	269						
Difference	▲36						

	Apr	May	Jun	Jul	Aug	Sep	Apr – Sep total	Oct – Sep total
FY15 Planned recruitment	455			435			890	1,600
FY15 recruitment								
Difference								

Number of engineers (2)

Changes in the Number of Engineers

■ Steady increase in the number of engineers → +23.5% compared with the end of previous fiscal year



FY15 Q1
(Oct. – Dec. average)
2,300
engineers

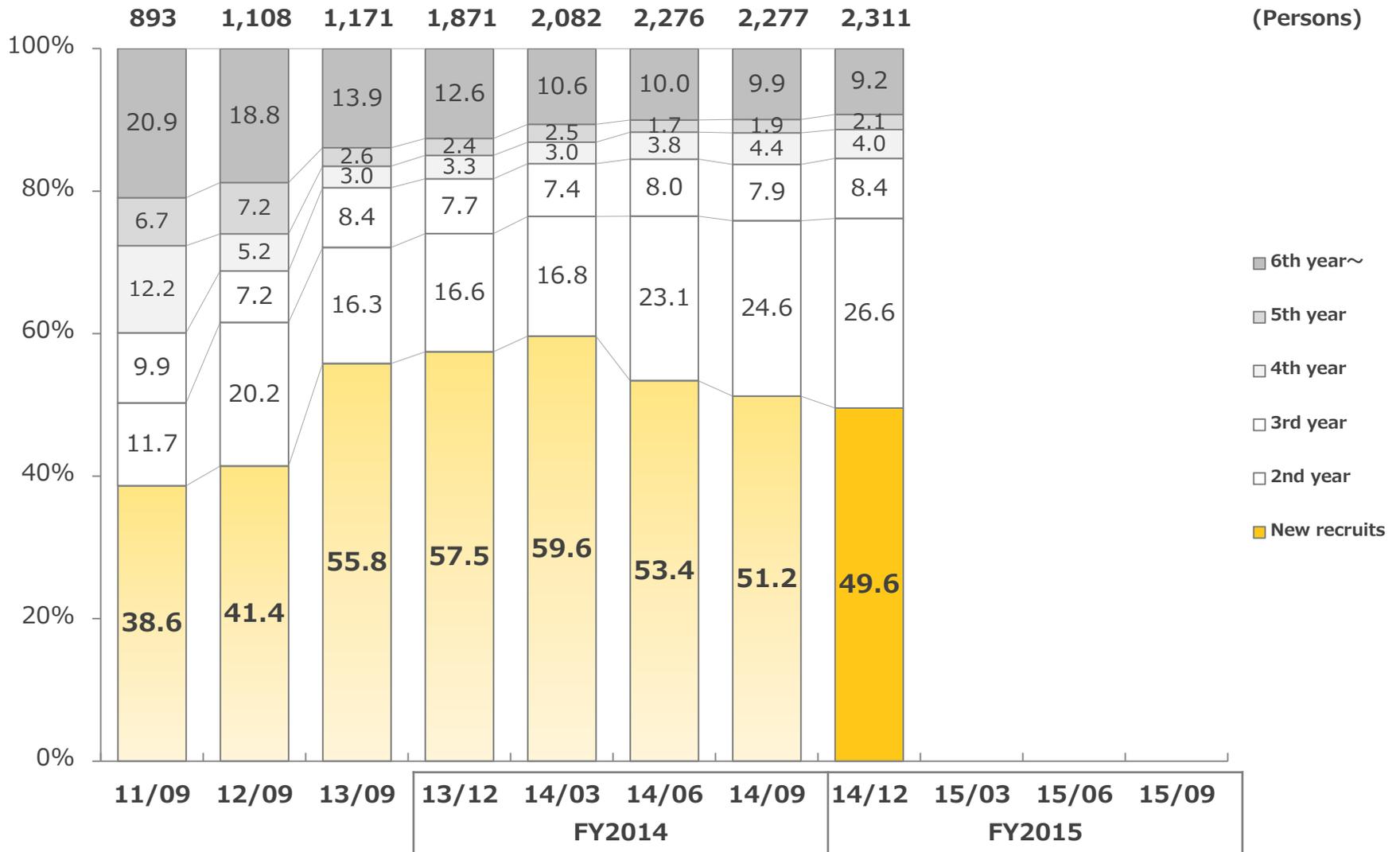
+475 engineers

FY14 Q1
(Oct. – Dec. average)
1,825
engineers

*Number of engineers at the end of month

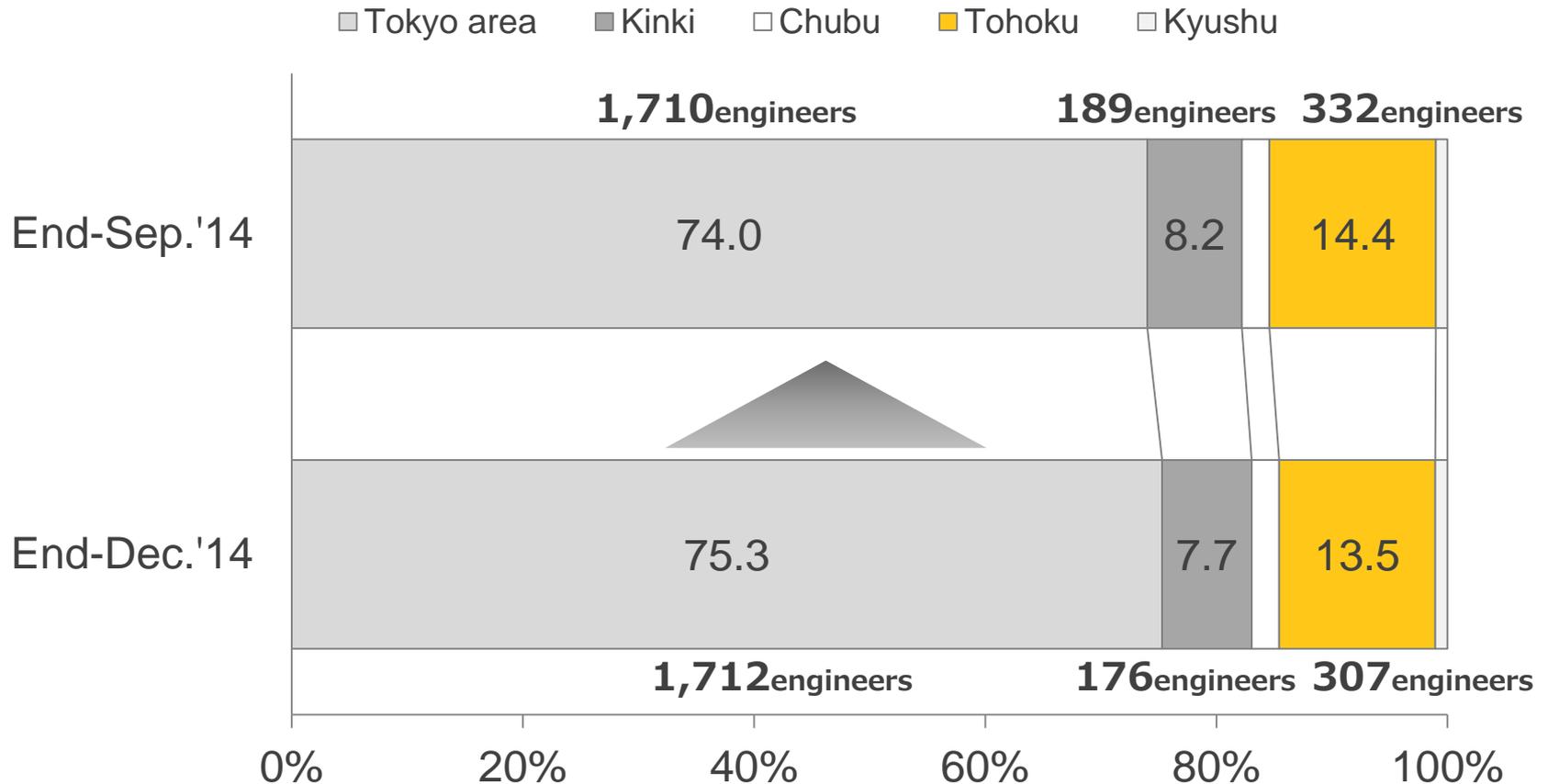
Number of engineers (3) Ratio by Length of Service

■ Pct. of new recruits peaked out → Unit cost average tends to increase



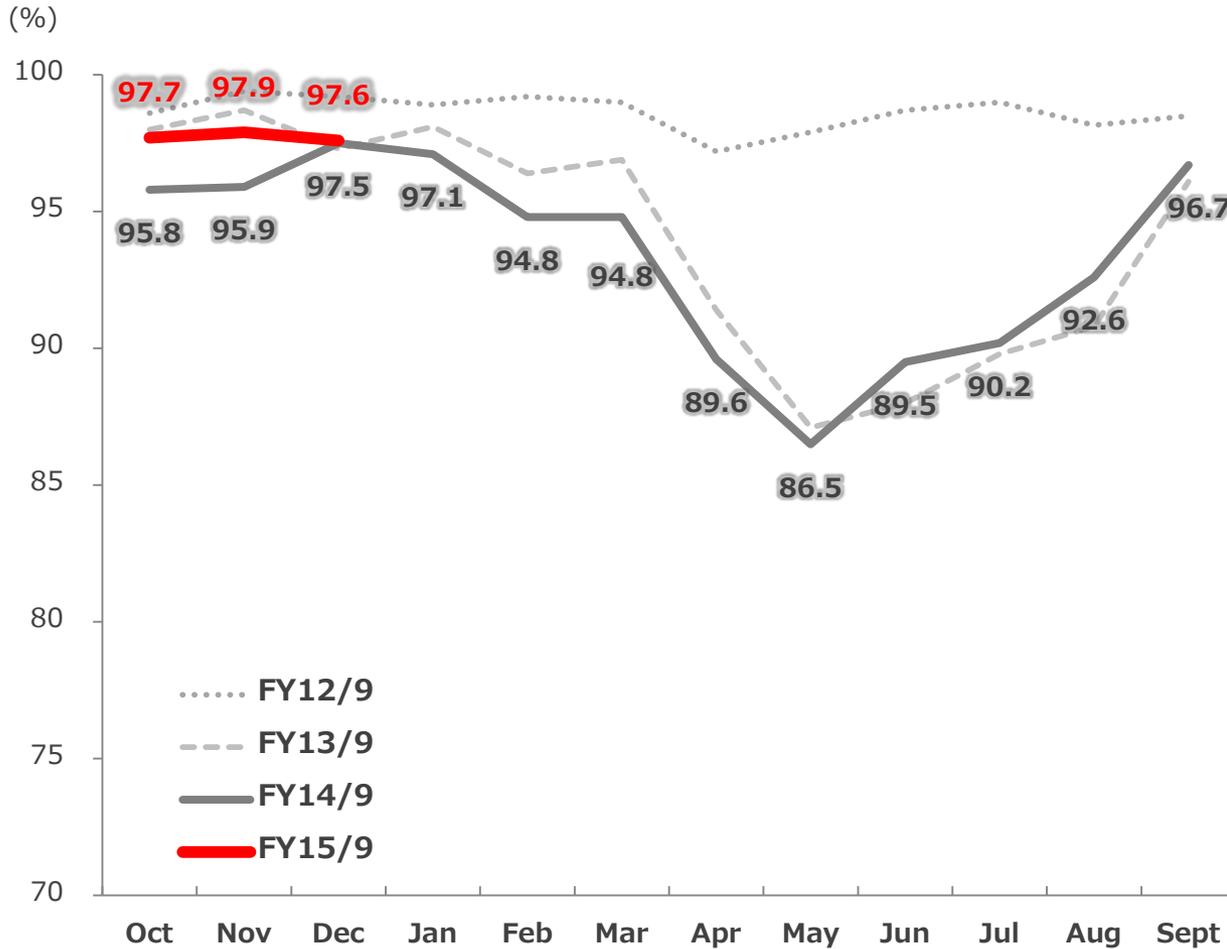
Number of Engineers (4) Ratio by Office

■ Continue increasing in Kinki and Tohoku



Operating Rate

■ Tight demand and supply continues → Operating rate is at high level



FY15 Q1
 (Oct. – Dec. average)
97.7%

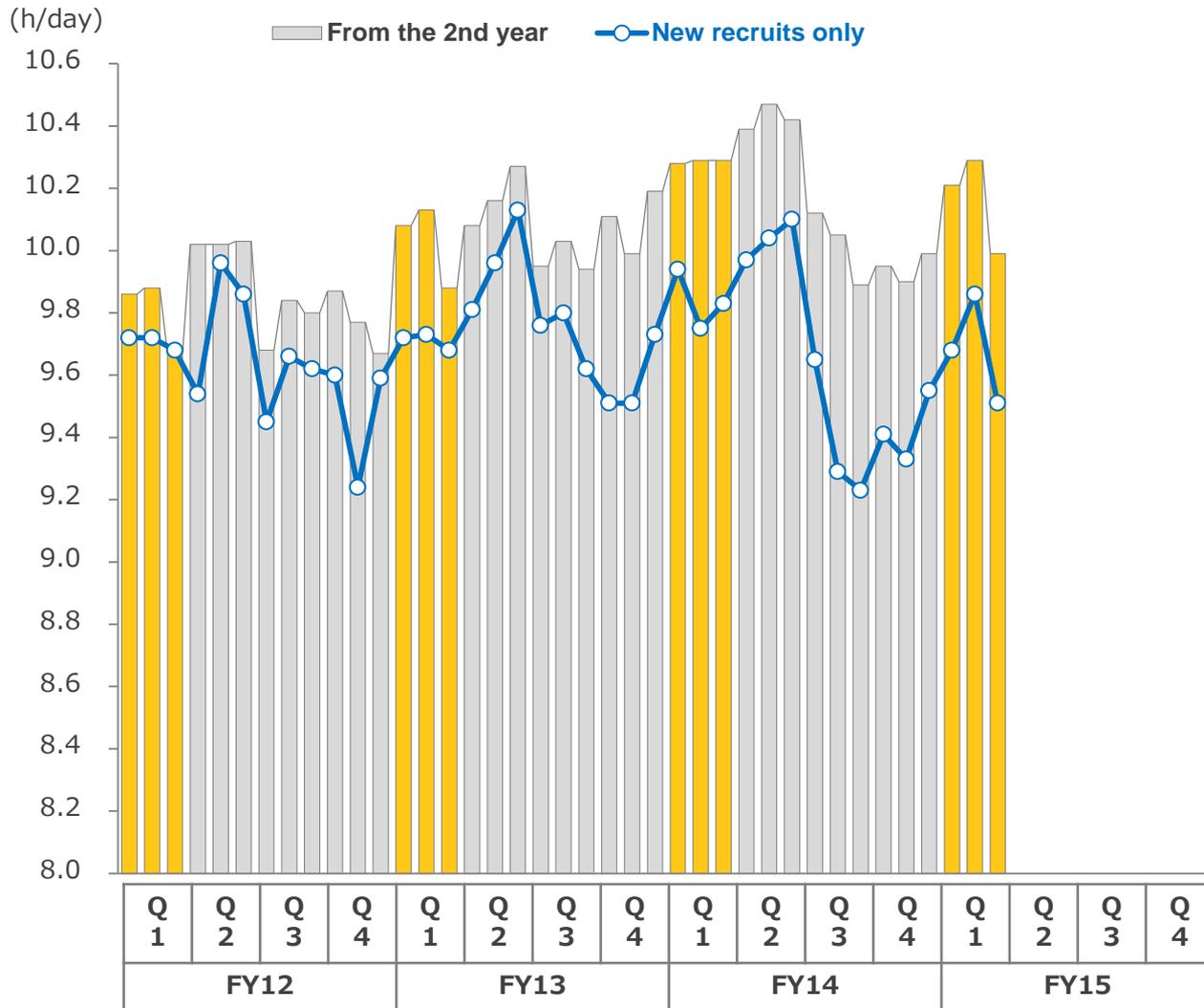
+1.3pt.

FY14 Q1
 (Oct. – Dec. average)
96.4%

Q1	Q2	Q3	Q4
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Operating Time

■ Settled at 10h/day due to labor control



FY15 Q1
(Oct. – Dec. average)
9.83h

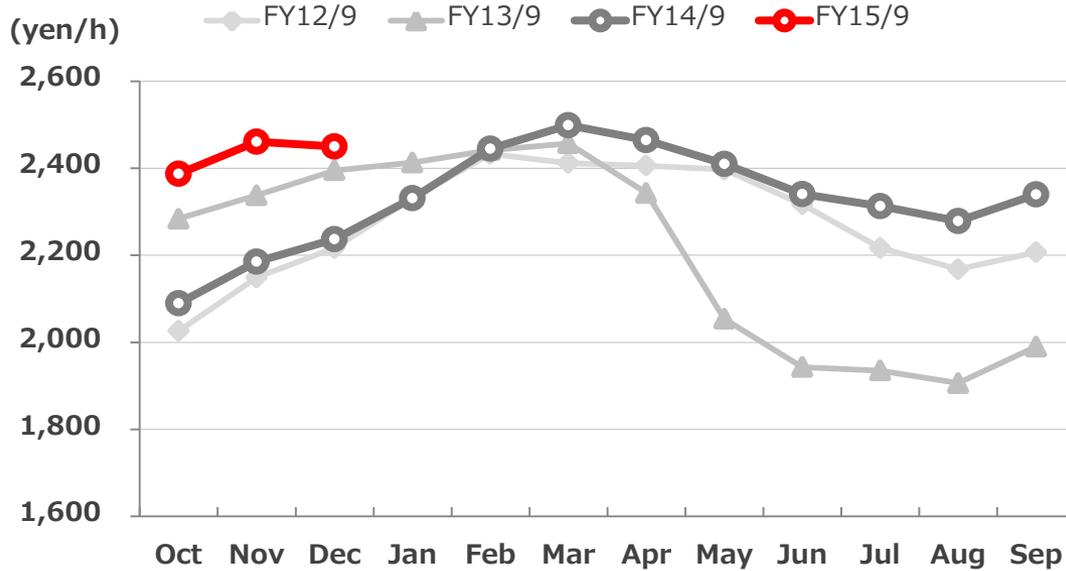
▲0.02h

FY14 Q1
(Oct. – Dec. average)
9.85h

※ All engineers average

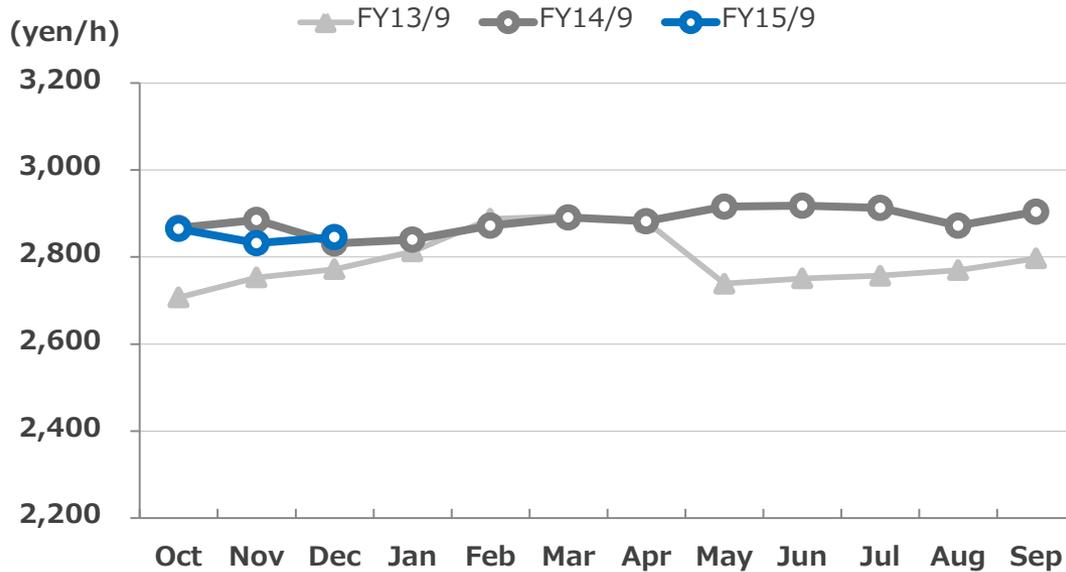
Unit Cost of Temporary Staffing (1)

Changes in New Recruits and 2nd Year



New recruits only

+12.1%
YoY

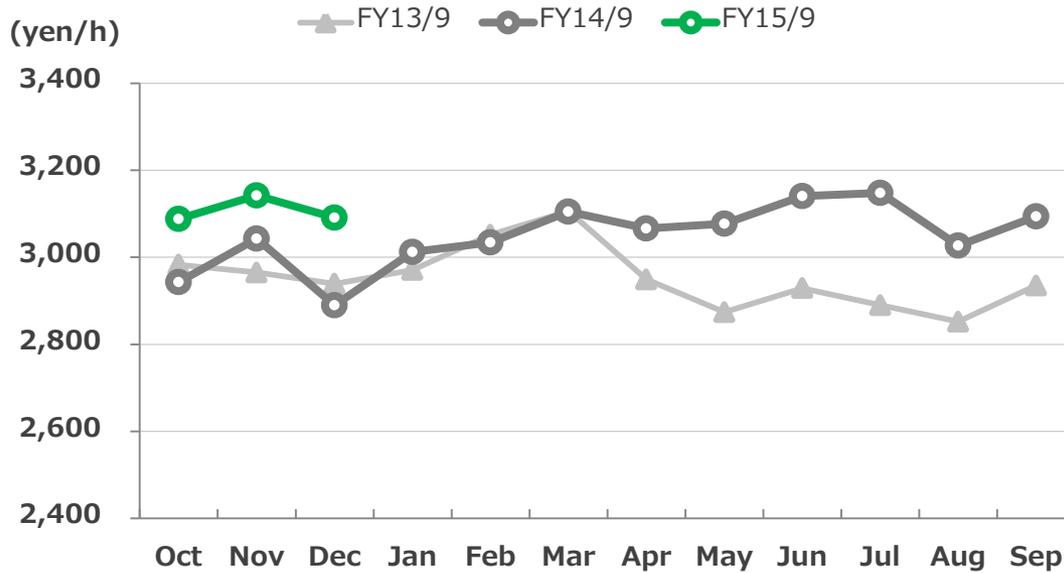


2nd year only

▲0.5%
YoY

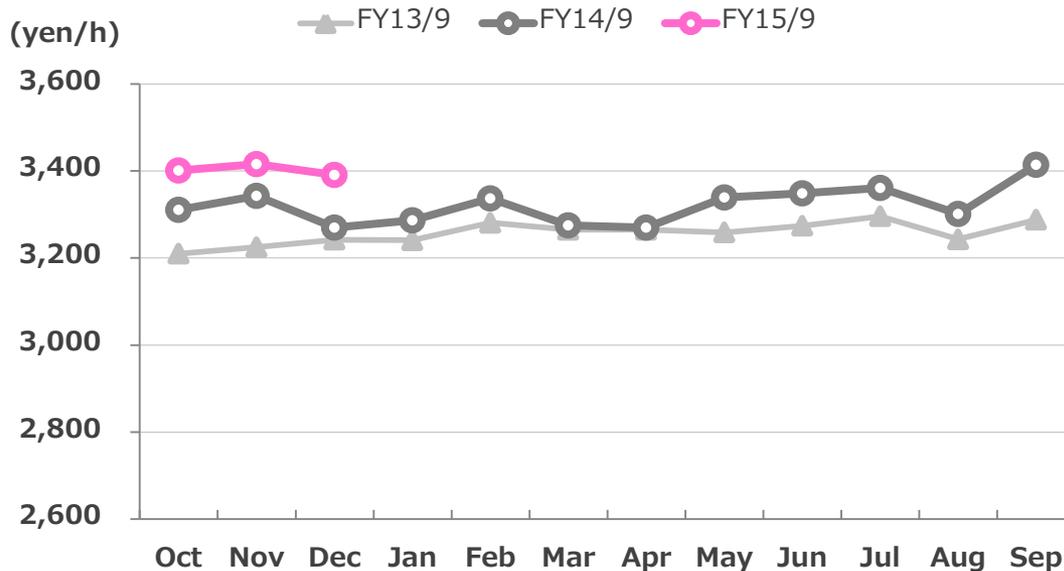
Unit Cost of Temporary Staffing (2)

Changes from the 3rd and 4th Year and Over



3rd year only

+5.0%
YoY

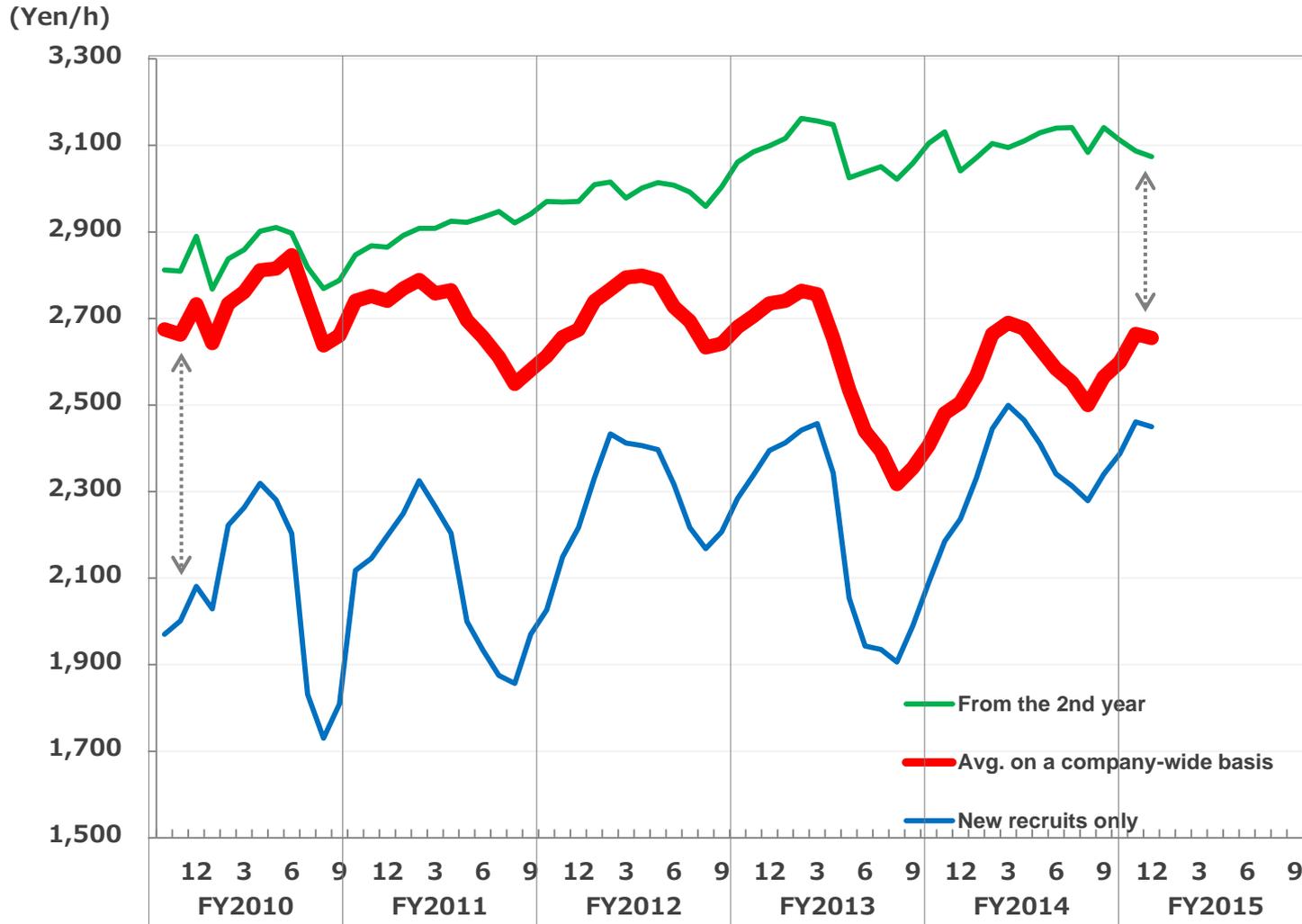


From the 4th year

+2.9%
YoY

Unit Cost of Temporary Staffing (4) Interim Changes

- Pct. of new recruits peaked out → Average on a company-wide basis increased
- From the 2nd year, continue to increase for 5 consecutive years → Clear signs of labor shortage in the industry



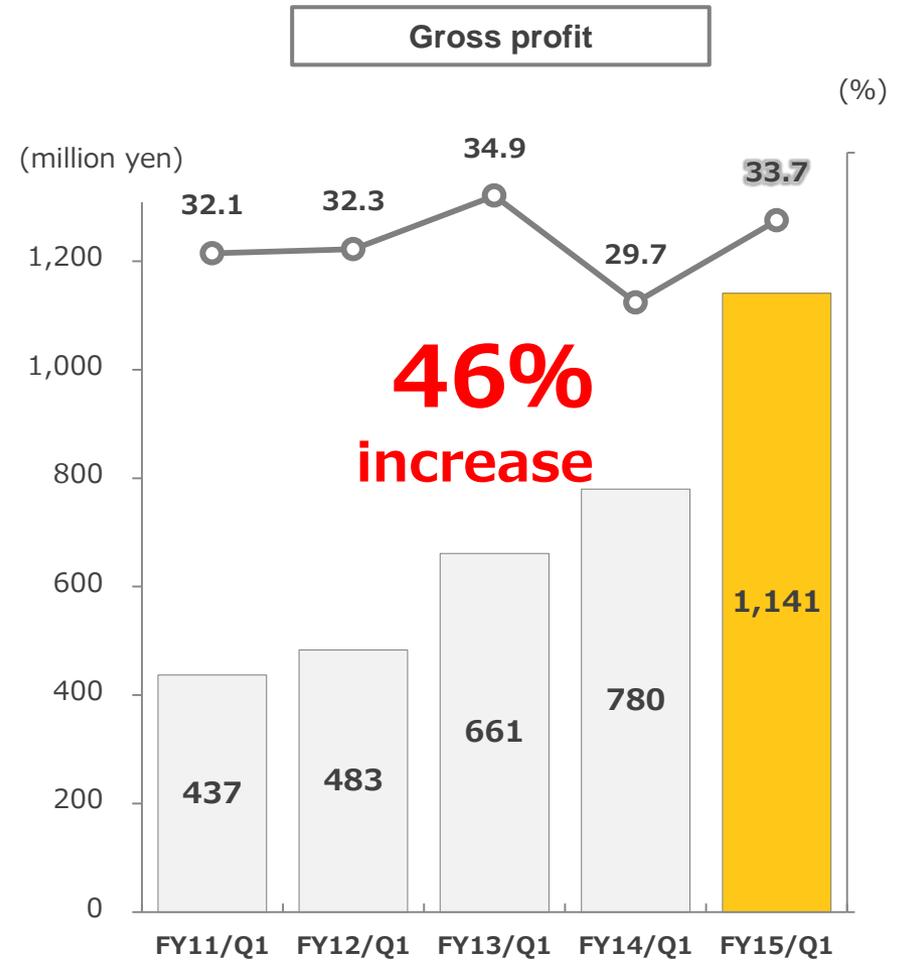
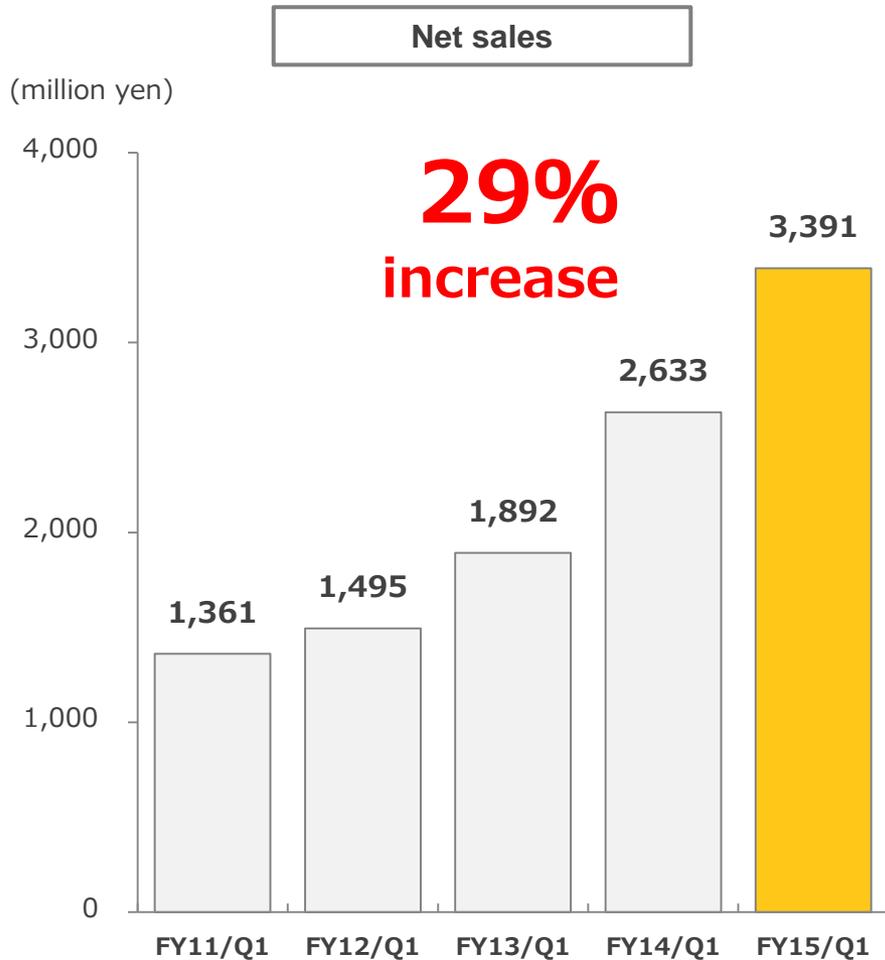
Summary of Four Indicators of Sales

Oct. – Dec. average (all engineers)

	FY14/Q1	FY15/Q1	Change
No. of engineers	1,825 engineers	2,300 engineers	+475 engineers
Operating rate	96.4%	97.7%	+1.3pt.
Operating time	9.85h	9.83h	▲0.02h
Unit cost of temporary staffing	2,464yen	2,639yen	+175yen

Non-consolidated P/L Statement (1) Net Sales and Gross Profit (Total)

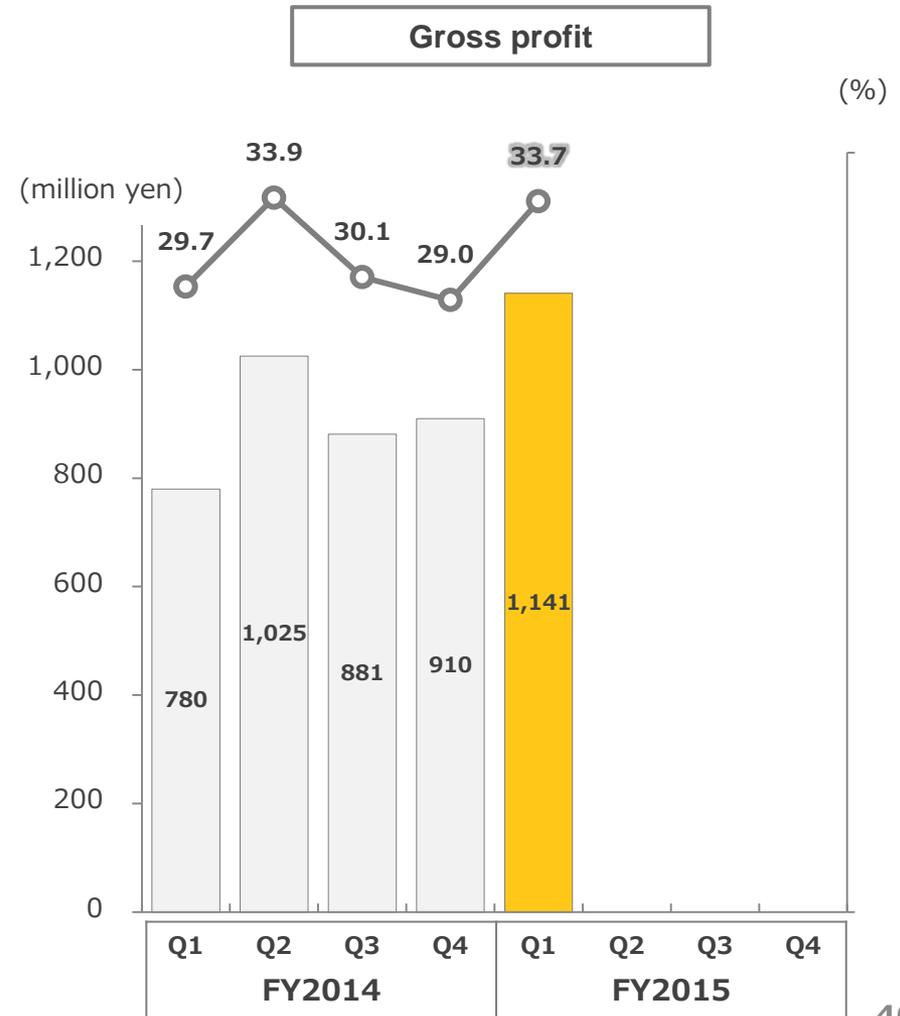
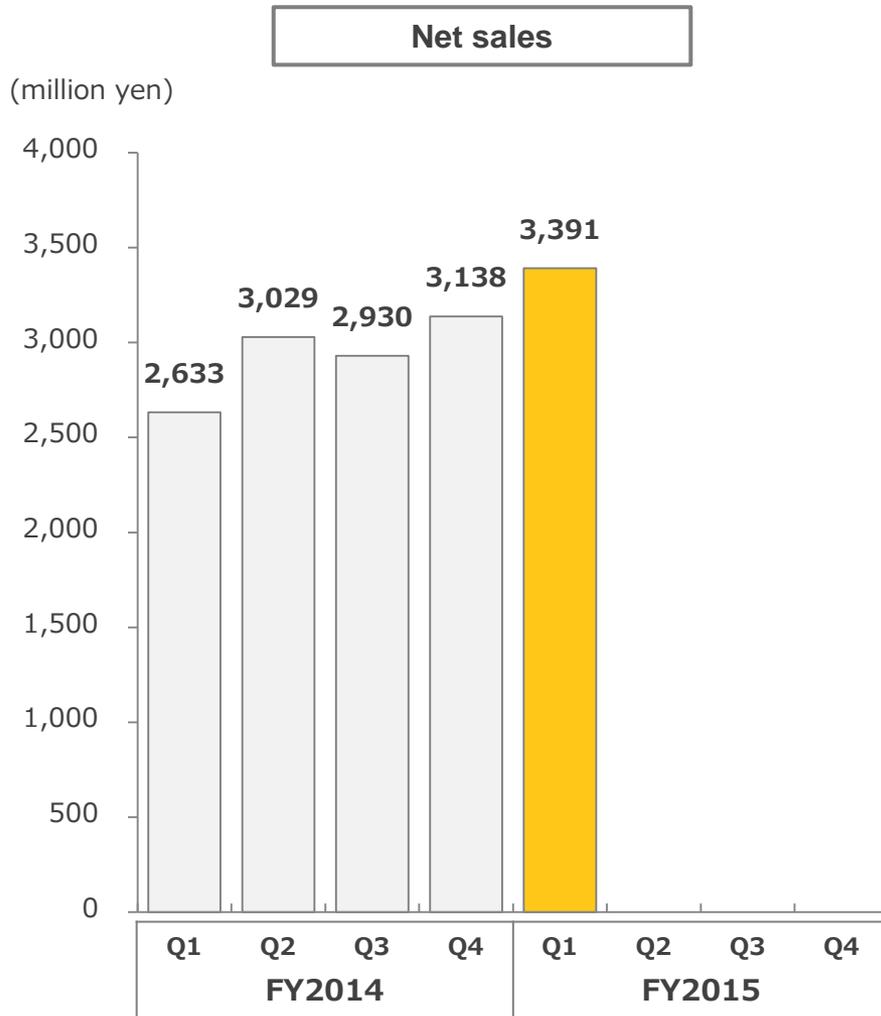
- Increase in the number of engineers at work due to aggressive recruitment activity
→ sales and income increased



Non-consolidated P/L Statement (2)

Net Sales and Gross Profit (Quarter)

■ Rise in gross profit ratio due to recovery in unit cost and operating rate

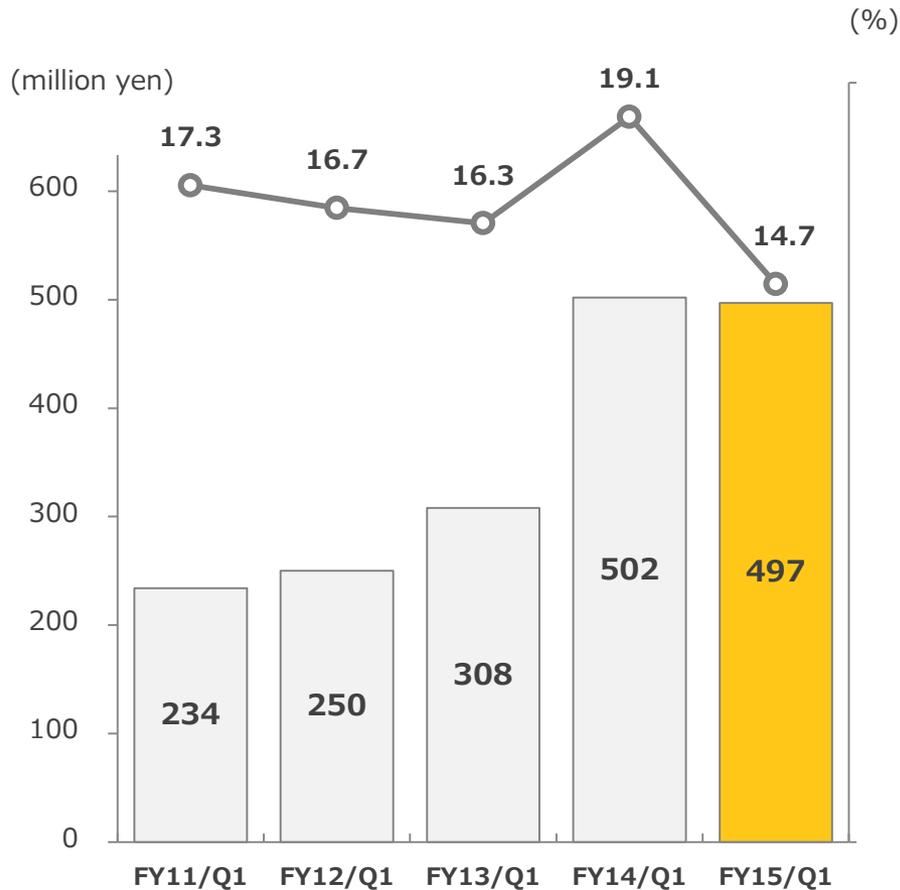


Non-consolidated P/L Statement (3)

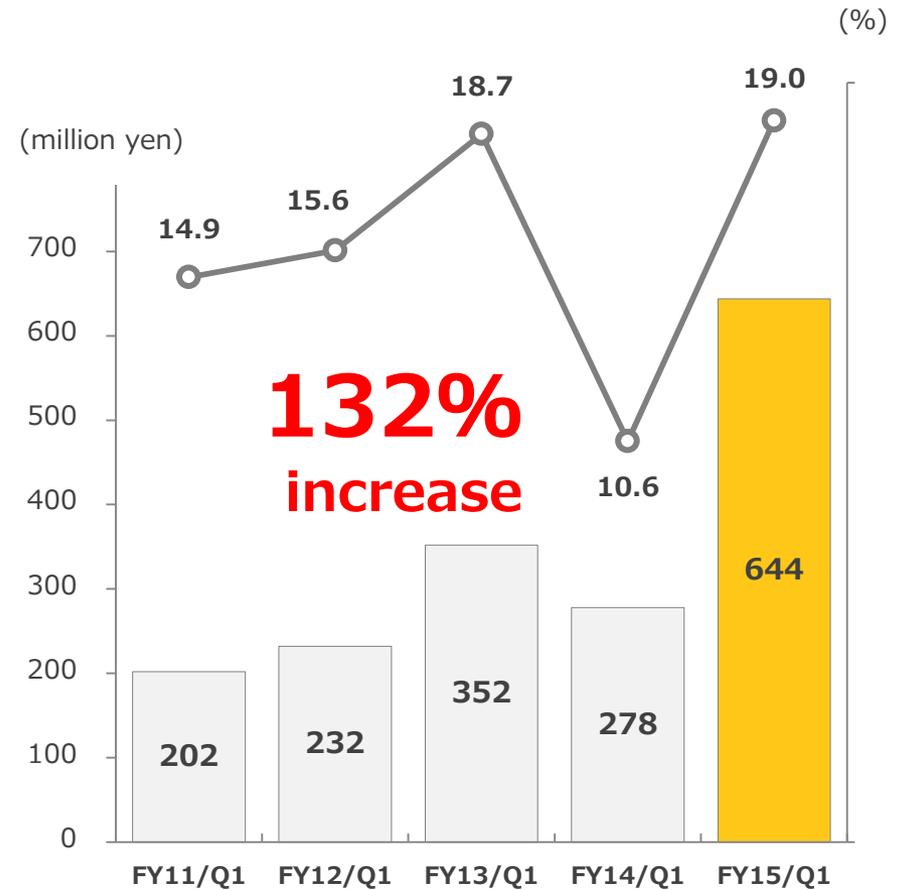
SG&A Expenses and Operating Income (Total)

■ Comprehensive cost management → Operating income ratio was drastically improved

SG&A expenses



Operating income



Non-consolidated P/L Statement (4)

SG&A Expenses and Operating Income (Quarter)

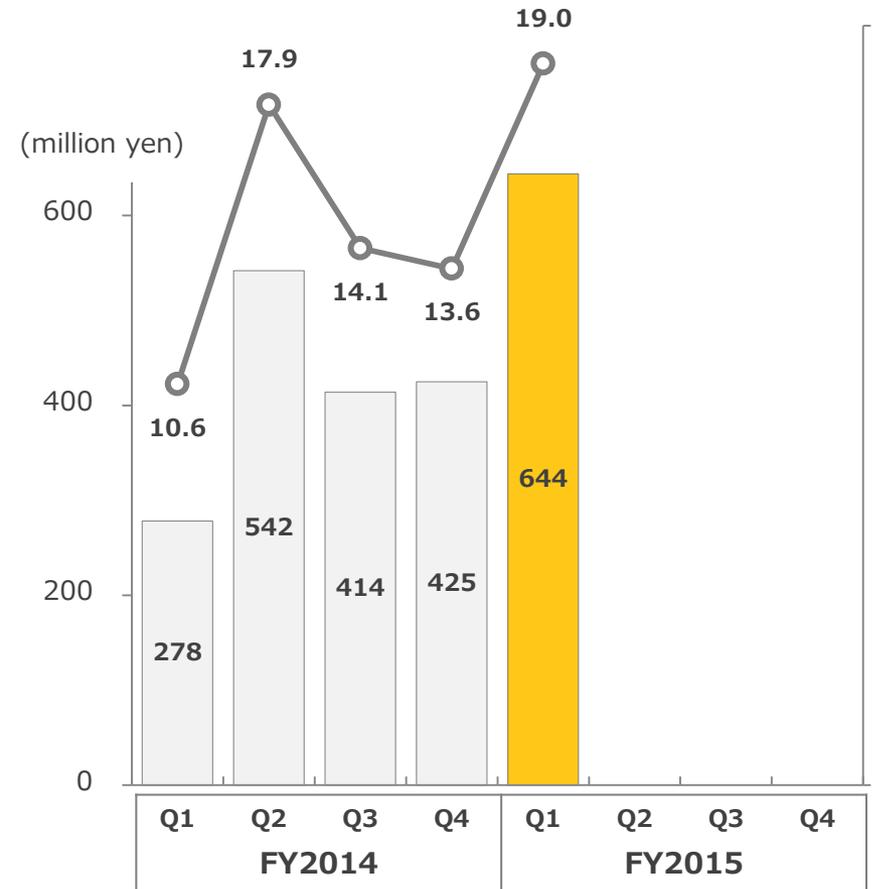
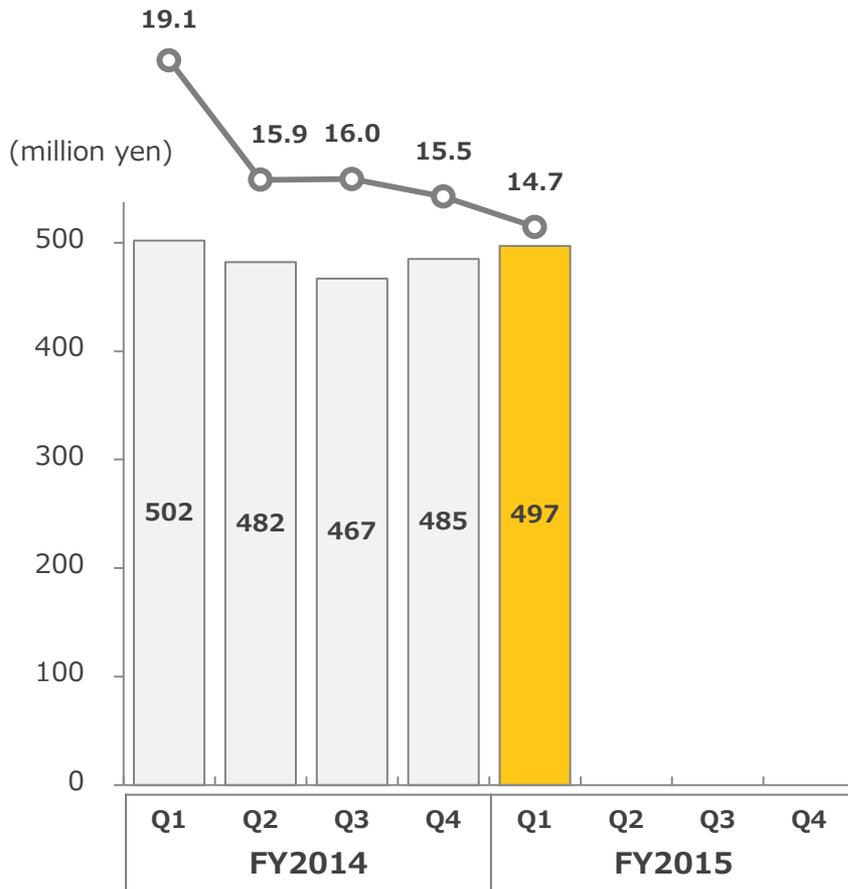
■ Maintain SG&A expenses rate in a certain level from FY14/Q2

SG&A expenses

Operating income

(%)

(%)



Summary of Non-consolidated P/L Statement

(million yen)

	FY14/Q1	FY15/Q1	Change	Pct. change
Net sales	2,633	3,391	+758	28.8%
Gross profit	780 (29.7%)	1,141 (33.7%)	+361	46.3%
SG&A expenses	502 (19.1%)	497 (14.7%)	▲ 4	▲ 1.0%
Operating income	278 (10.6%)	644 (19.0%)	+366	131.7%
Ordinary income	295 (11.2%)	685 (20.2%)	+389	131.8%
Net income	263 (10.0%)	373 (11.0%)	+109	41.5%

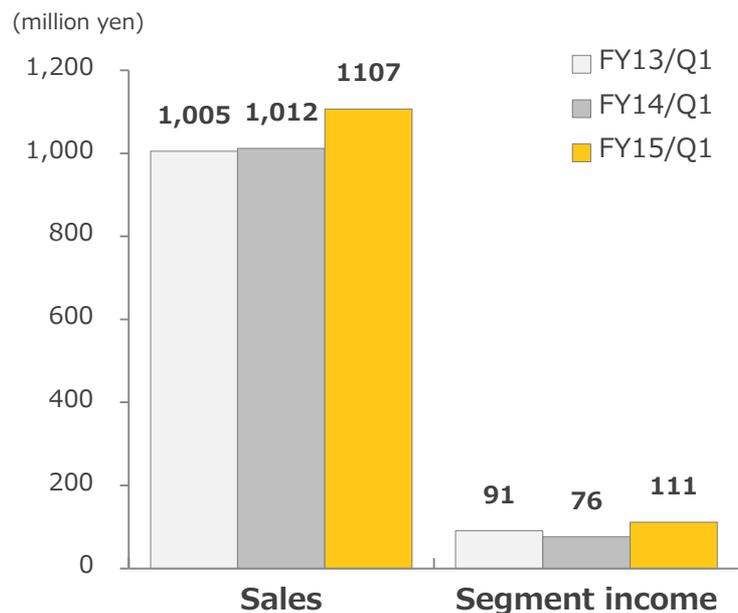
* () = Percentage of sales

Other Segments

Other Segments (1)

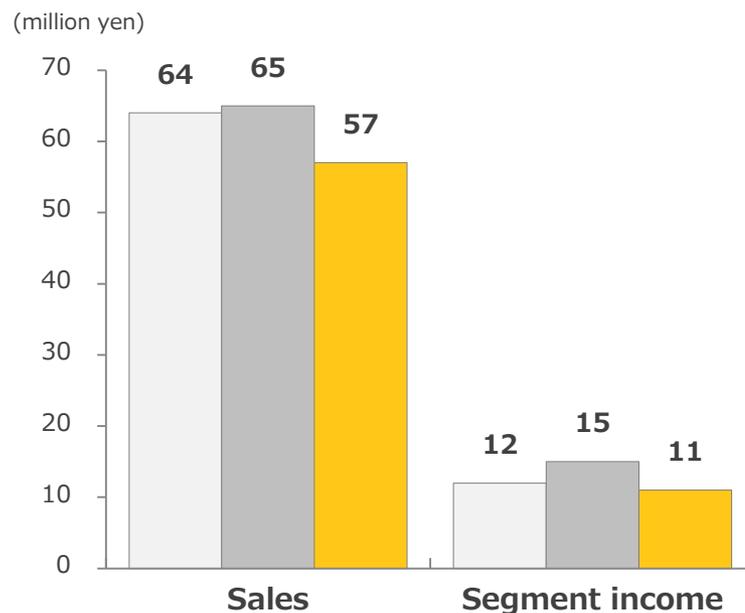
- Manufacturing engineer temporary staffing showed steady results due to aggressive recruitment of foreign engineers
- Childcare centers are favorable backed by issue of children on waiting lists for nursery schools while nursery staff is insufficient

Engineer temporary staffing



Rise in sales and income due to increase in engineers for manufacturing engineer temporary staffing

Childcare support services

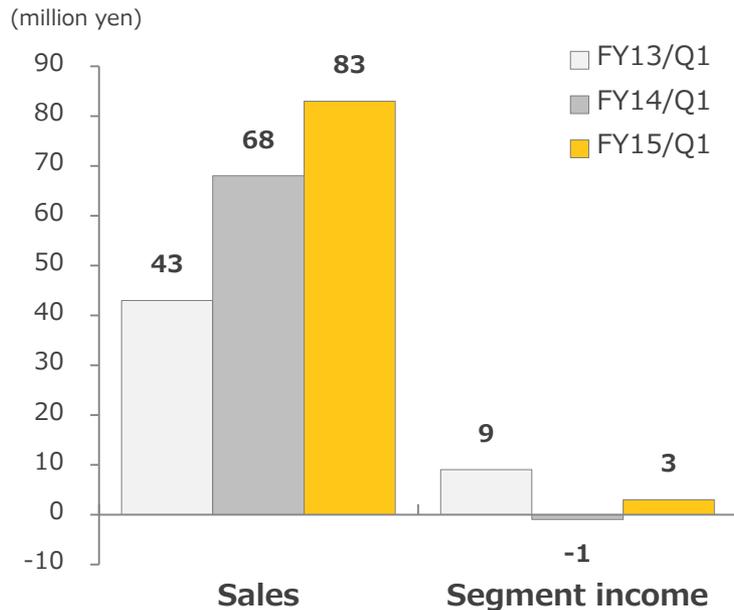


Operate 4 certified childcare centers
Increase in facility users
but nursery teacher temporary staffing was weak

Other Segments (2)

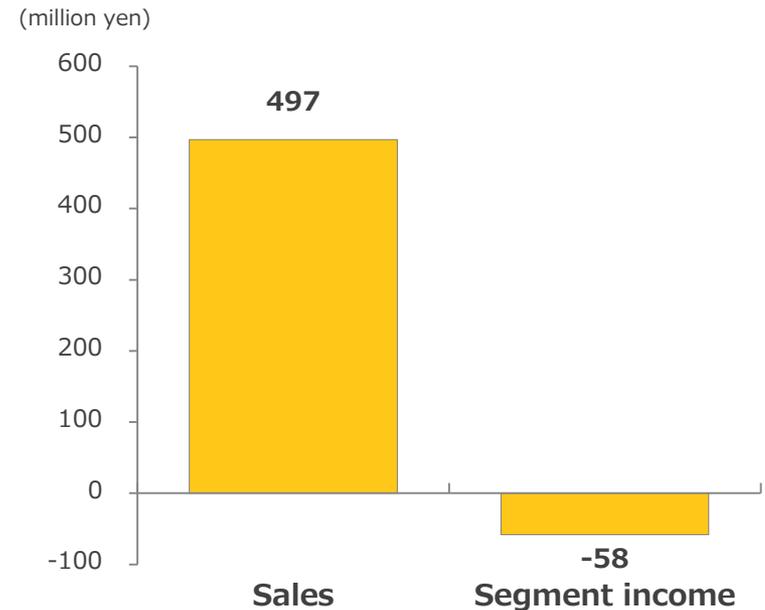
- Favorable increase in the number of users of daycare center → aim for further increase
- Orders for high-grade custom house show steady results → aim for profitable in short term

Nursing care business



**Operate 4 daycare centers
Increase in customers increased sales**

Comprehensive construction business



**Construction of high-grade custom house
Favorable orders but unprofitable works remain**

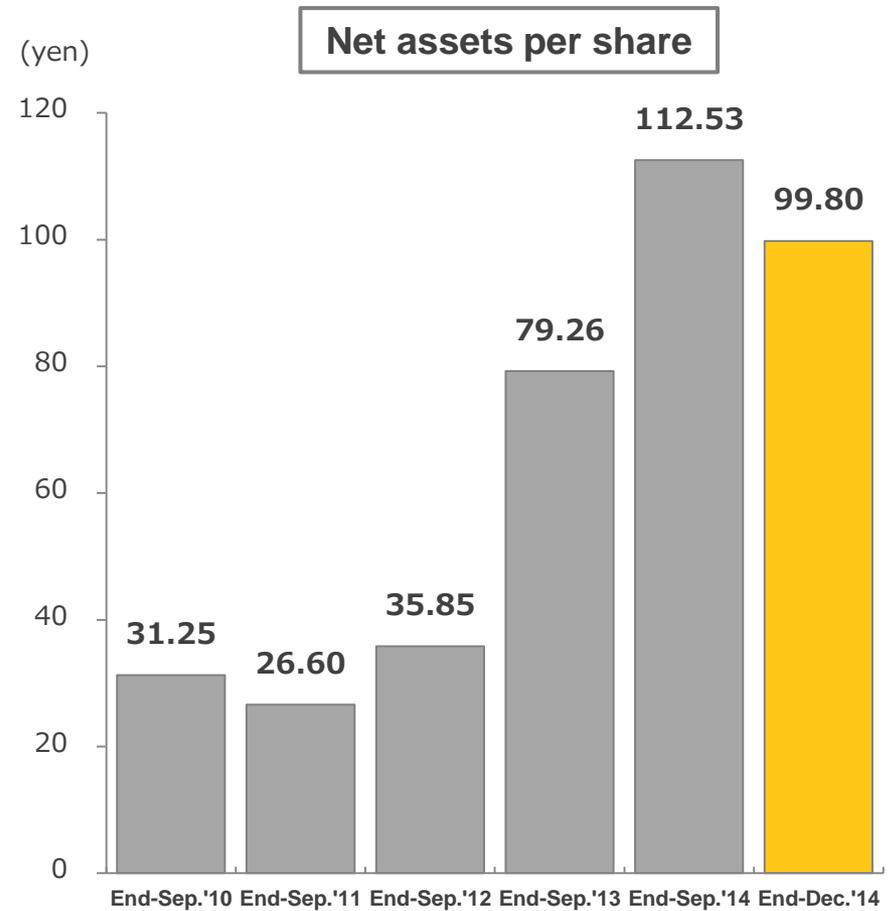
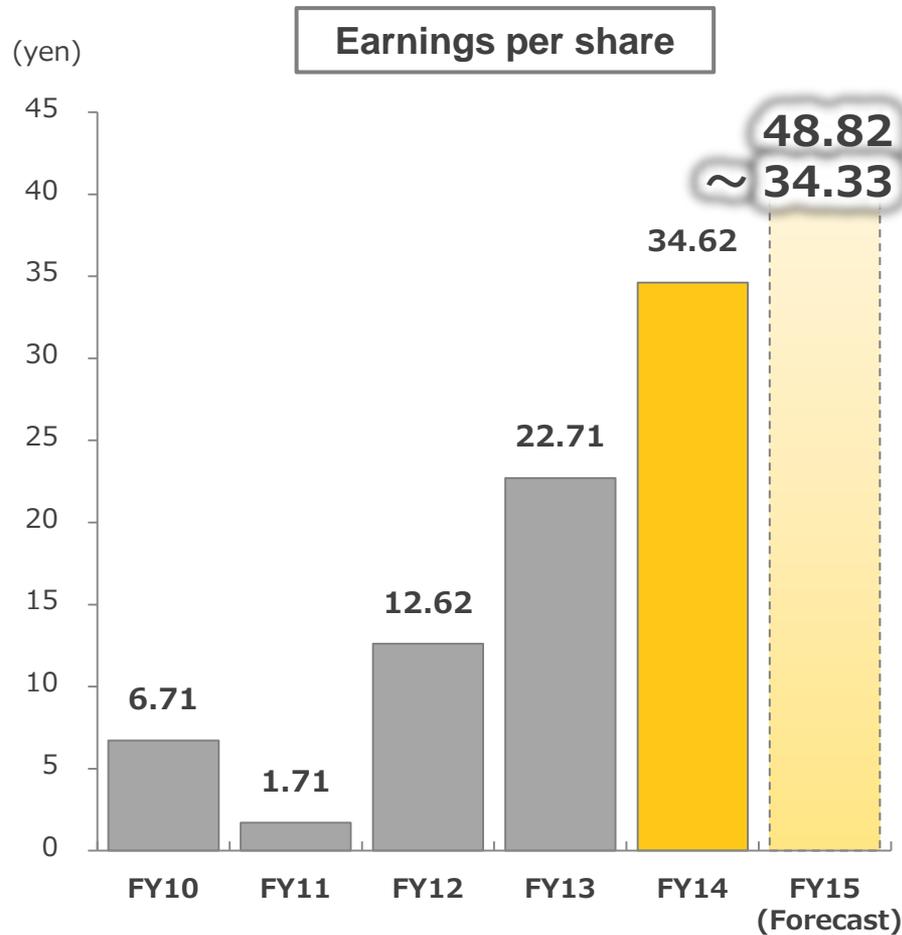
*Segment income = After adjustment for ordinary income

Shareholder Return

Shareholder Return (1)

Earnings/Net Assets Per Share

■ Growth in EPS due to expand in business results

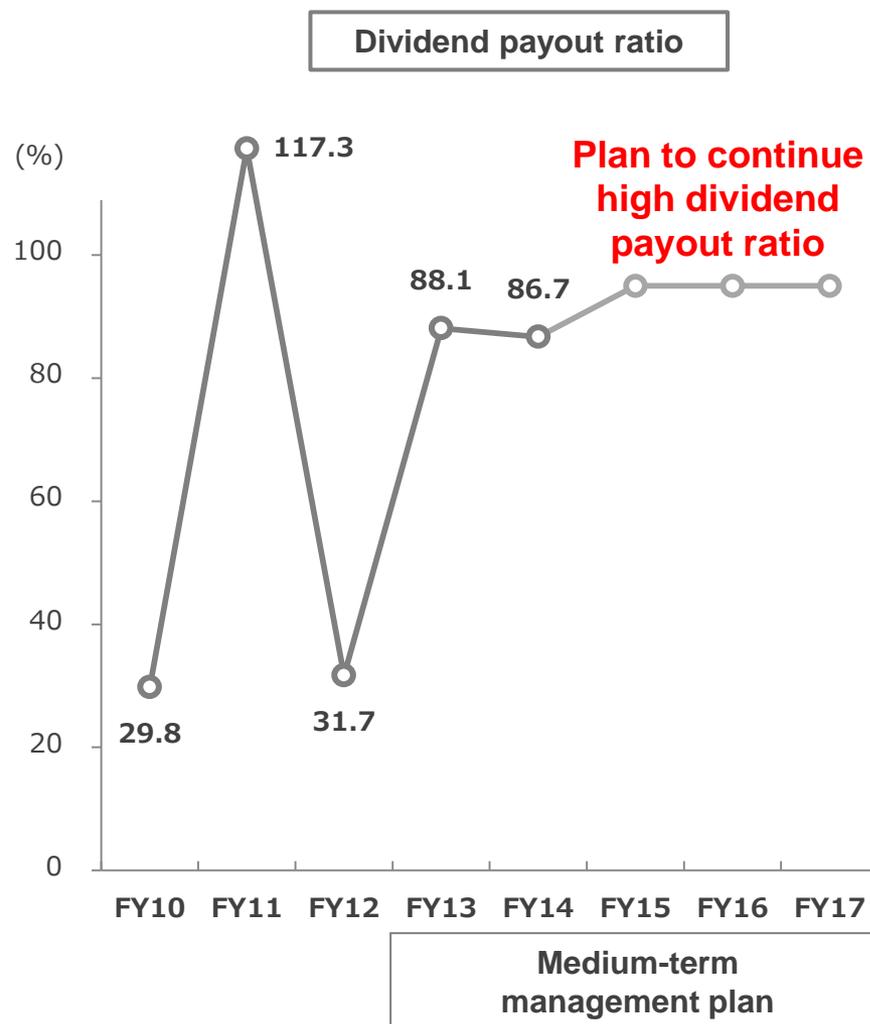
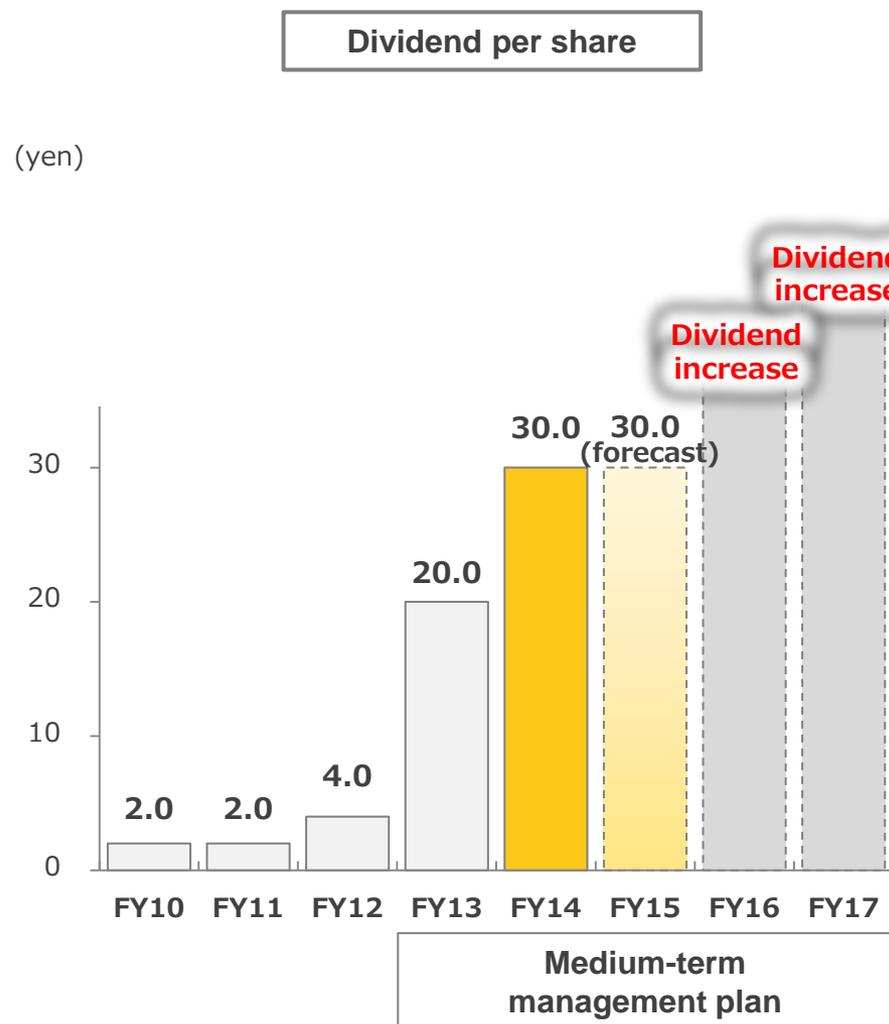


* 1. Earnings per share = Net income ÷ Average no. of shares during period × 100

* 2. Net assets per share = Shareholders' equity ÷ (Shares outstanding - No. of treasury stock at end of year) × 100

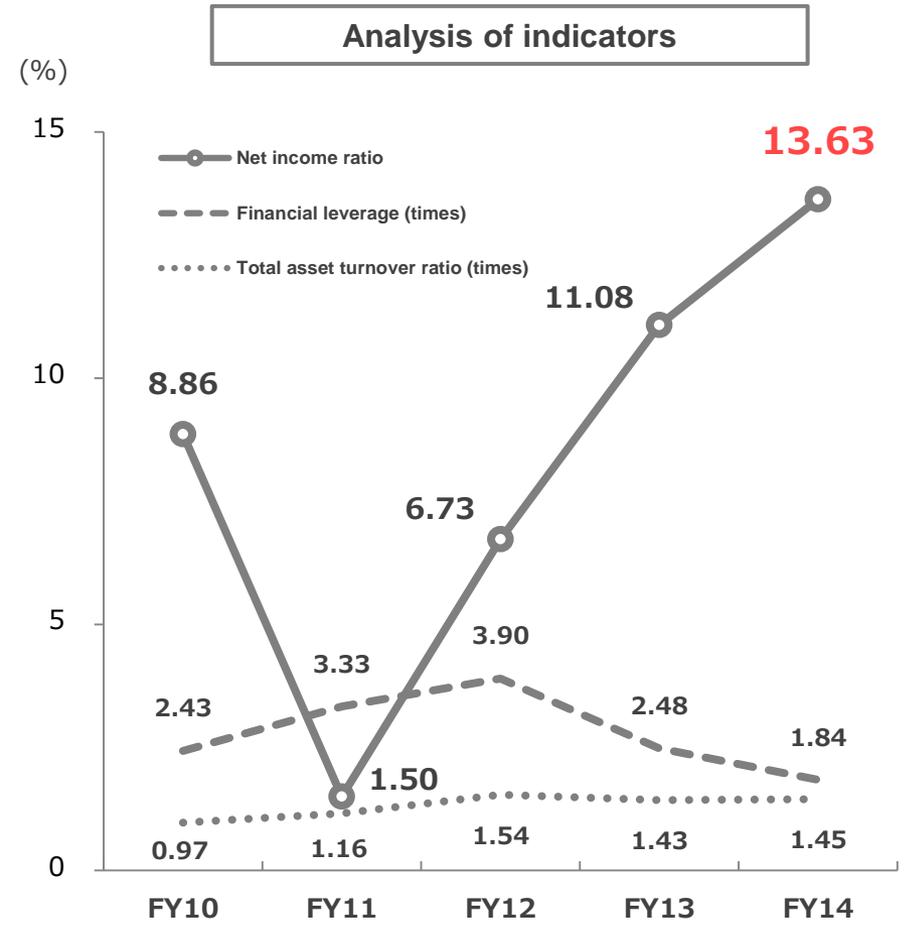
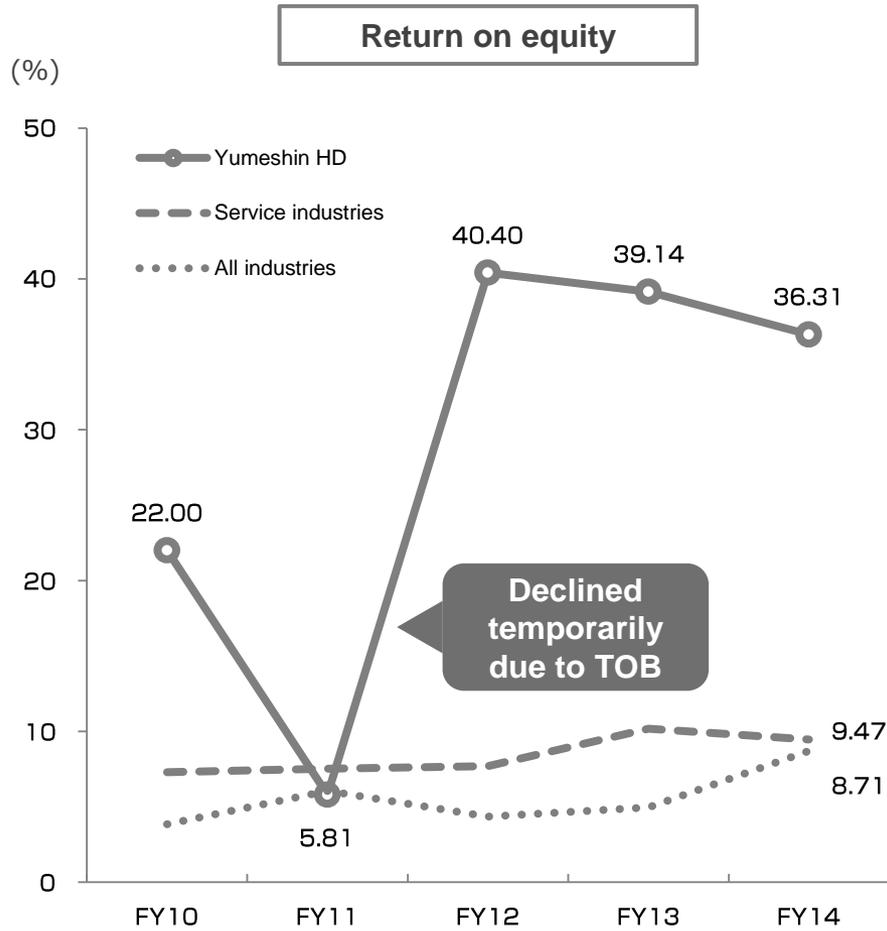
Shareholder Return (2) Dividend Policy

- Plan to increase dividend every year → High dividend payout ratio during the medium-term management plan



Shareholder Return (3) Return on Equity

■ Maintain 30% of ROE → Due to increase in net income ratio

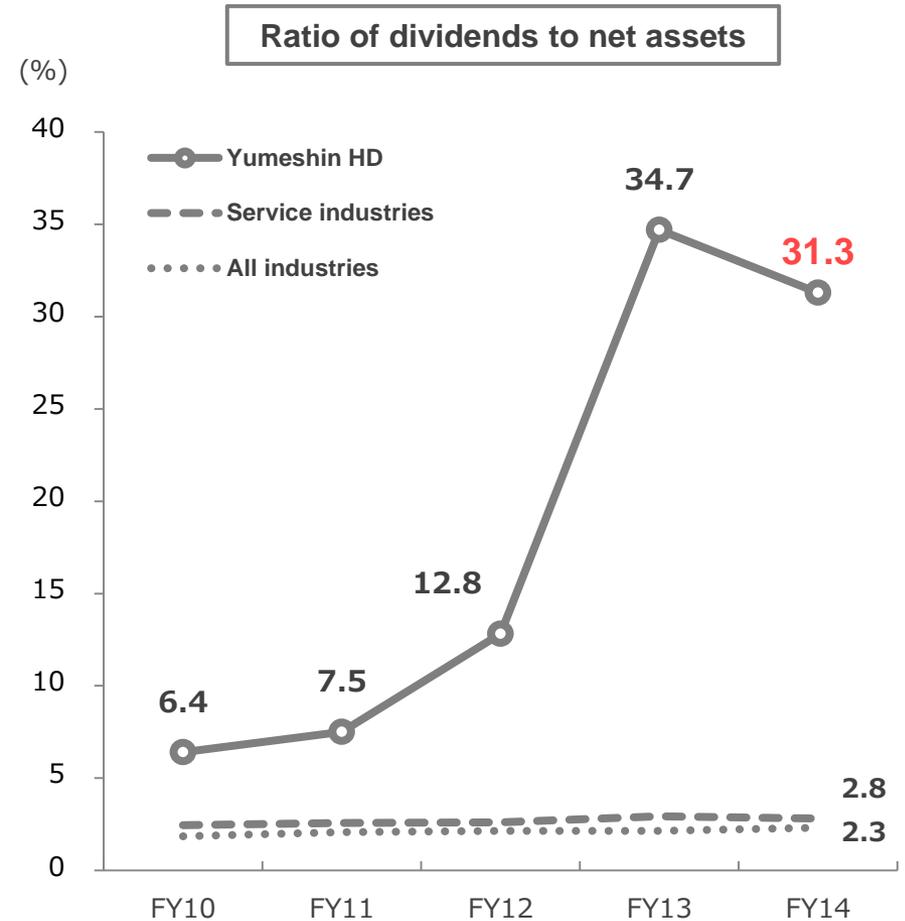
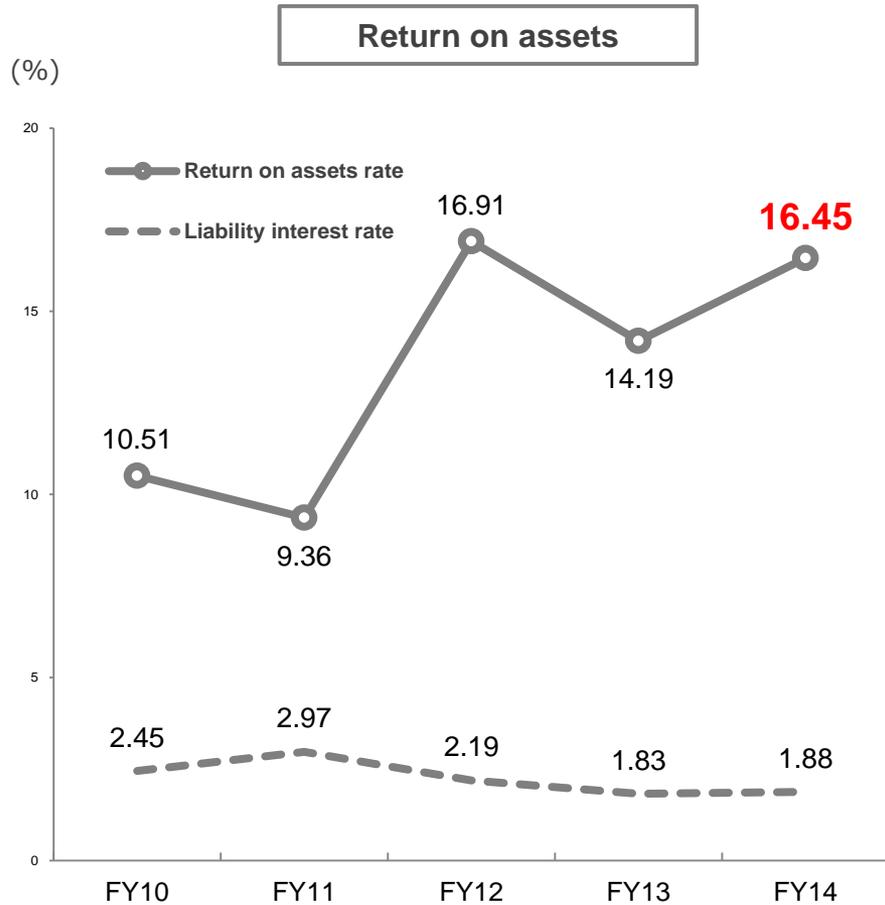


- * 1. Return on equity = $\text{Net income} \div \text{Shareholders' equity (avg. during period)} \times 100$
- * 2. Financial leverage = $\text{Total assets (avg. during period)} \div \text{Shareholders' equity (avg. during period)}$
- * 3. Total asset turnover ratio = $\text{Net sales} \times \text{Total assets (avg. during period)}$
- * 4. All industries and service industry belong to the TSE 1st section

Shareholder Return (4)

Return on Assets / Ratio of Dividends to Net Assets

■ ROA is remarkably higher than liability interest rate



- ※1. Return on assets = business income (operating income + interest received + dividend received + investment profit/loss by equity method) ÷ Total assets (avg. during period) × 100
 ※2. Liability interest rate = Interest paid ÷ interest-bearing debt (avg. during period)
 ※3. Net assets dividend rate = Dividend payout ratio × Return on equity
 ※4. All industries and service industry belong to the TSE 1st section

Reference

FY9/15 Consolidated Business Forecast

(million yen)

	FY2014 Actual	FY2015 Forecast	Change
Sales	16,482	22,500 ~25,500	36.5% ~54.7%
Net income	2,246	2,250 ~3,200	0.2% ~42.5%
Net income per share	34.62	34.33 ~48.82	▲0.8% ~41.0%

Reference (1) Medium-Term Management Plan

- Plan to hire over 1,600 engineers annually from FY2014
- Growth in profit rate due to the scale merit

(million yen)

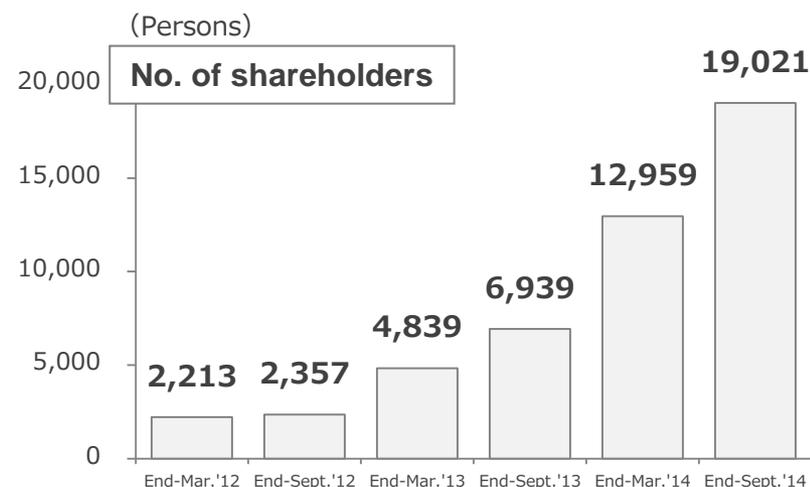
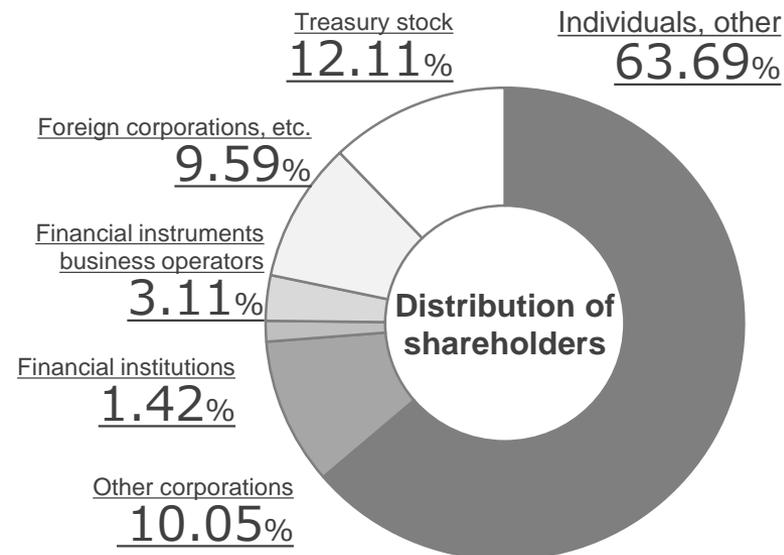
	FY2013 (Actual)	FY2014 (Actual)	FY2015	FY2016	FY2017
Sales	12,537	16,482	25,500 ~22,500	33,000	39,500
Ordinary income	1,771	2,951	—	7,800	10,000
Ordinary Income margin	14.1%	17.9%	—	23.6%	25.3%
Net income	1,388	2,246	3,200 ~2,250	4,700	6,000
No. of recruits	1,233 engineers	1,628 engineers	1,600 engineers	1,600 engineers	1,600 engineers

*The figures are on a consolidated basis.

Reference (2) Shareholders Situation

As of September 30, 2014

	Name of shareholders	No. of shares held (in thousands)	Ownership ratio (%)
1	Shingo Sato	24,385	32.70
2	Sato Sogo Kikaku	7,344	9.85
3	Yoshiko Sato	2,228	2.99
4	Hideki Fukai	880	1.18
5	UBS SECURITIES	857	1.15
6	MSCO CUSTOMER SECURITIES	832	1.12
7	THE TACHIBANA SECURITIES CO.,LTD.	649	0.87
8	CREDIT SUISSE SECURITIES	562	0.75
9	Japan Trustee Services Bank, Ltd. (Trust Account)	551	0.74
10	崎山 佳香	535	0.72
Total of top 10 largest shareholders		38,826	52.06



*Apart from the above, the company has 9,032 thousand shares of treasury stock (ownership ratio of 12.11%).



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