



株式会社夢真ホールディングス
YUMESHIN HOLDINGS CO.,LTD.

Financial Results

for the **Six** Months Ended March 31, 2015

May 19, 2015

September.2015
Securities code

2362

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Consolidated Financial Overview

TOPIC

1. Sales up 38%

Double-digit growth for 5 consecutive years

2. Operating income up 46%

Achieved the highest profit for the first half

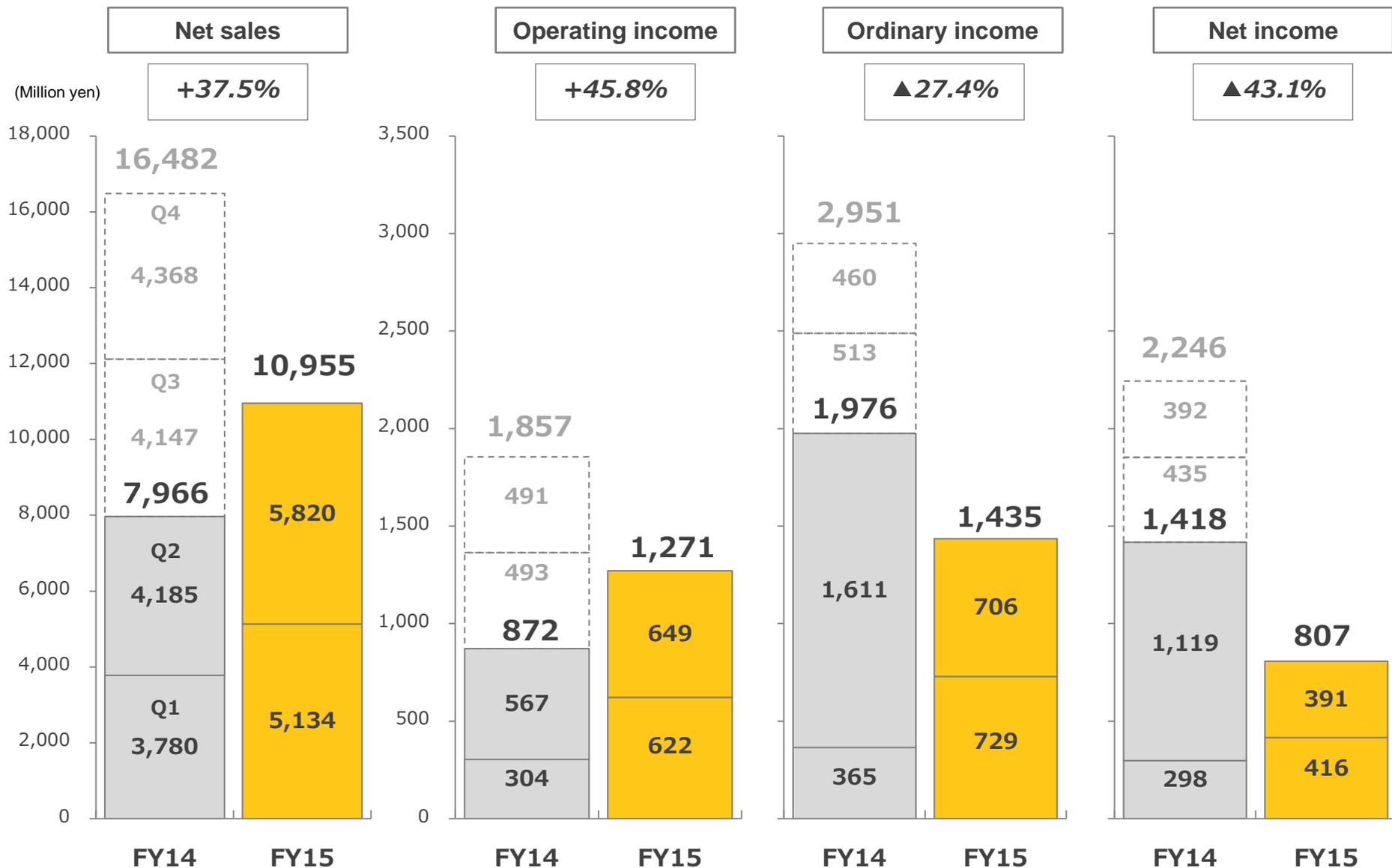
3. Ordinary income and net income down

Due to posting of non-operating income and extraordinary income in the previous fiscal year

Consolidated Financial Overview

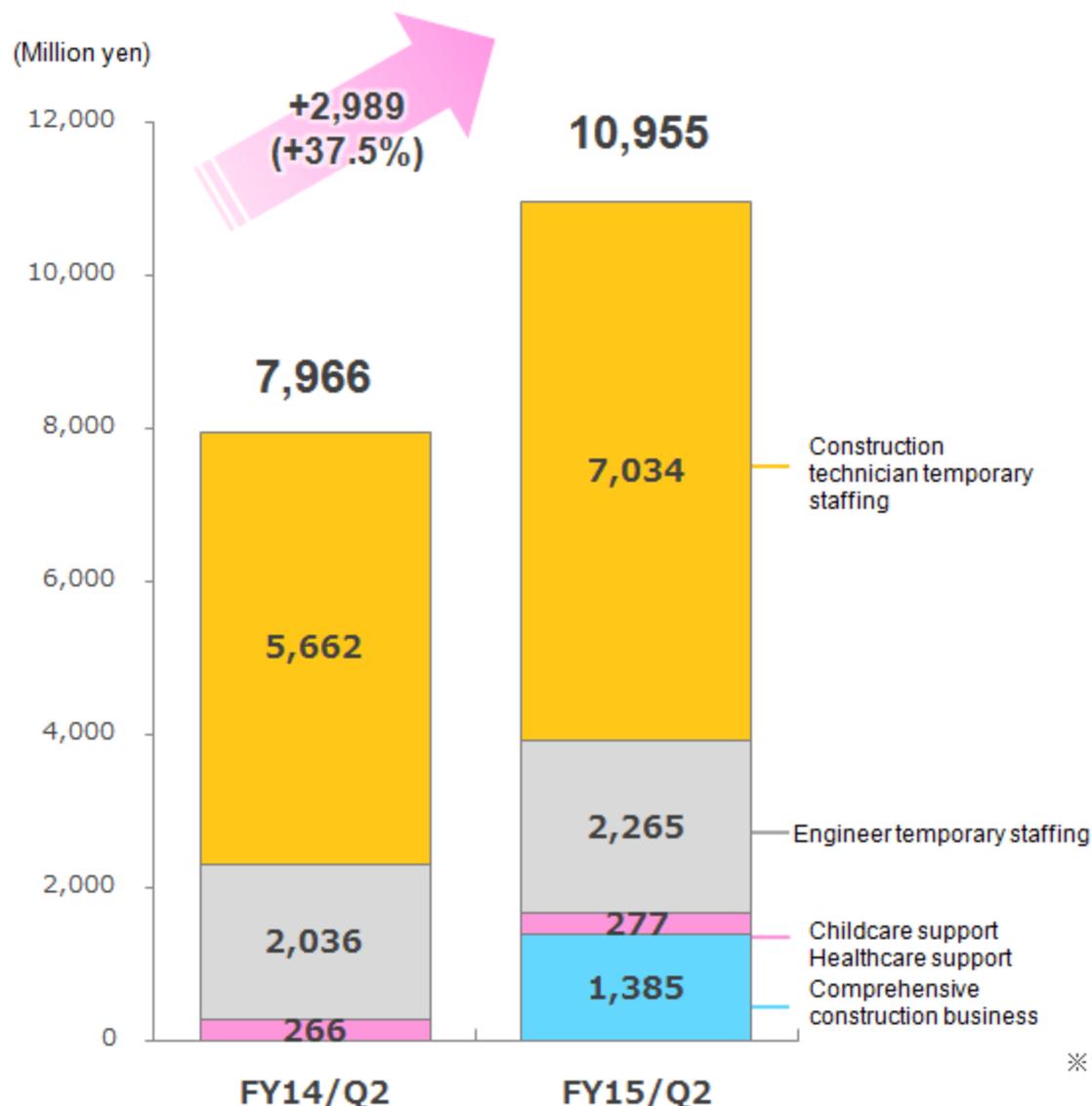
Consolidated P/L Statement

Consolidated P/L



Consolidated P/L (1) Net Sales

(Million yen)



【Major factors for increase/decrease】

Construction technician temporary staffing +1,371million (+24.2%)

- Sales up due to increase in staff at work

Engineer temporary staffing +228million (+11.2%)

- Sales up due to increase in staff at work

**Childcare support
Healthcare support** +10million (+3.9%)

- Sales up due to increase in facility users

Comprehensive construction +1,385million

- 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

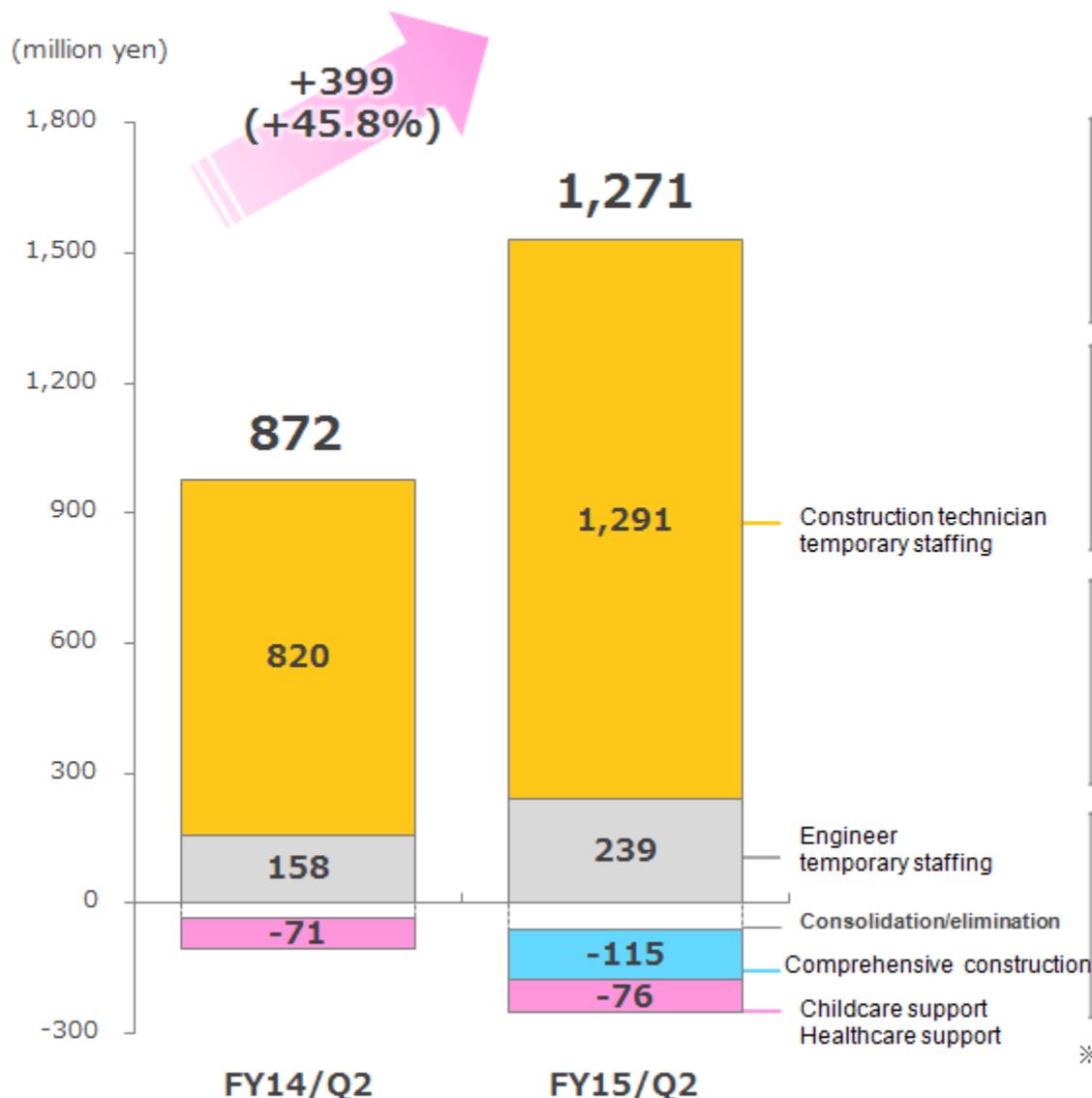
(million yen)

	FY14/Q2	FY15/Q2	Change	Remarks
Cost of sales	5,716	8,039	+2,322	<ul style="list-style-type: none"> • Increased due to increase in engineers • Increased due to consolidation of Iwamotogumi
<i>Cost of sales ratio</i>	71.8%	73.4%	+1.6pt.	
Gross profit	2,249	2,916	+666	
<i>Gross profit</i>	28.2%	26.6%	▲1.6pt.	
SG&A expenses	1,377	1,644	+267	
<i>Executive compensation</i>	55	65	+10	
<i>Personnel expenses</i>	694	785	+90	<ul style="list-style-type: none"> • Increased due to increase in staff of administrative Dept. • Increased due to consolidation of Iwamotogumi
<i>Ad expenses</i>	49	29	▲19	
<i>Recruiting cost</i>	208	248	+40	• Increase in advertising cost
<i>Rent</i>	77	166	+88	<ul style="list-style-type: none"> • Increased due to transfer of headquarter • Increased due to consolidation of Iwamotogumi
<i>Provision of allowance for doubtful accounts</i>	77	88	+10	
<i>Amortization of goodwill</i>	39	60	+20	
<i>SG&A expenses ratio</i>	17.3%	15.0%	▲2.3pt.	

※ Personnel expenses = Salaries and allowances + Travel and transport expenses + Bonuses + Legal welfare expenses + Benefit costs + Retirement benefit expenses (except executives)

Consolidated P/L Statement (3) Operating Income

(million yen)



【Major factors for increase/decrease】

Construction technician temporary staffing +470million (+57.4%)

- Income up due to Improvement in operating rate and increase in unit cost of temporary staffing

Engineer temporary staffing +81million (+51.5%)

- Income up due to increase in staff at work

Childcare support Healthcare support ▲17million (▲24.3%)

- Income down due to decrease in the number of temporary childcare worker

Comprehensive construction ▲115million

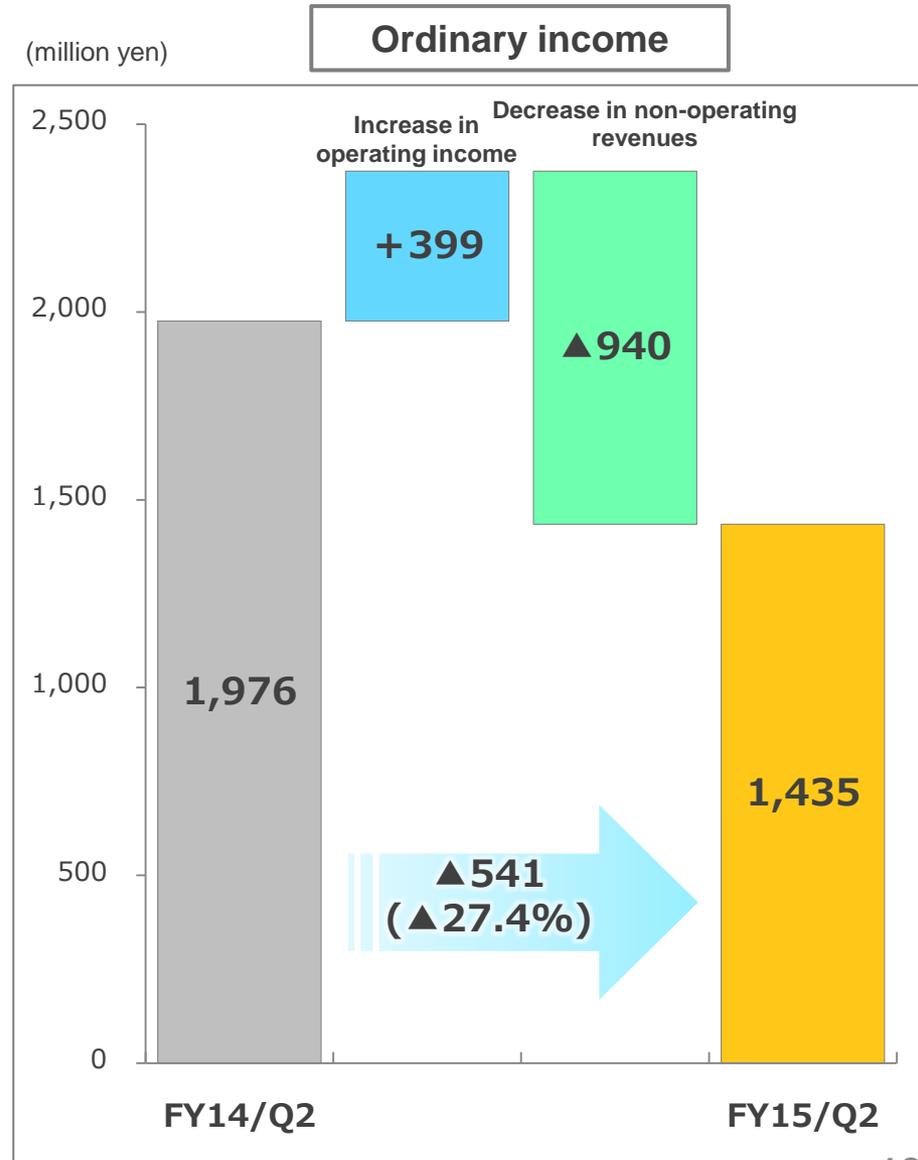
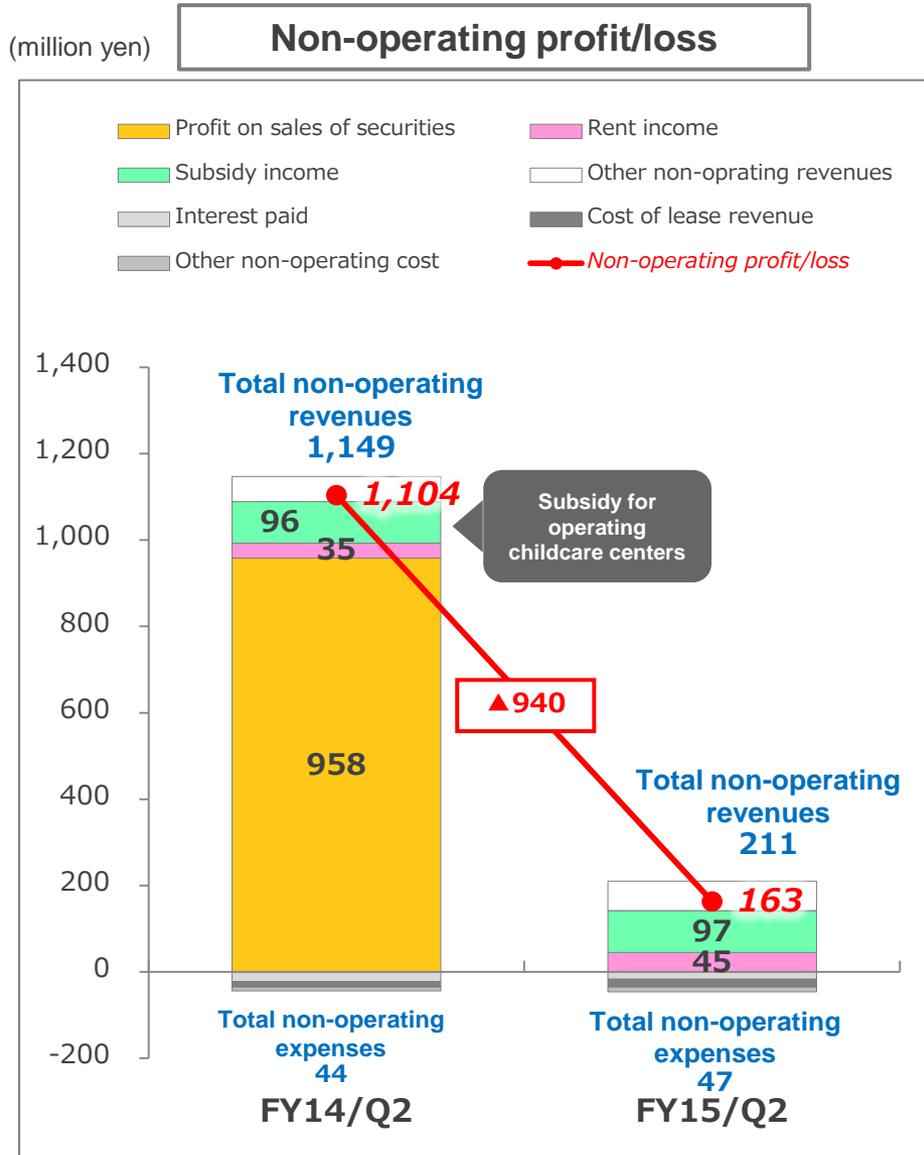
- Construction of high-grade custom house

※ 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

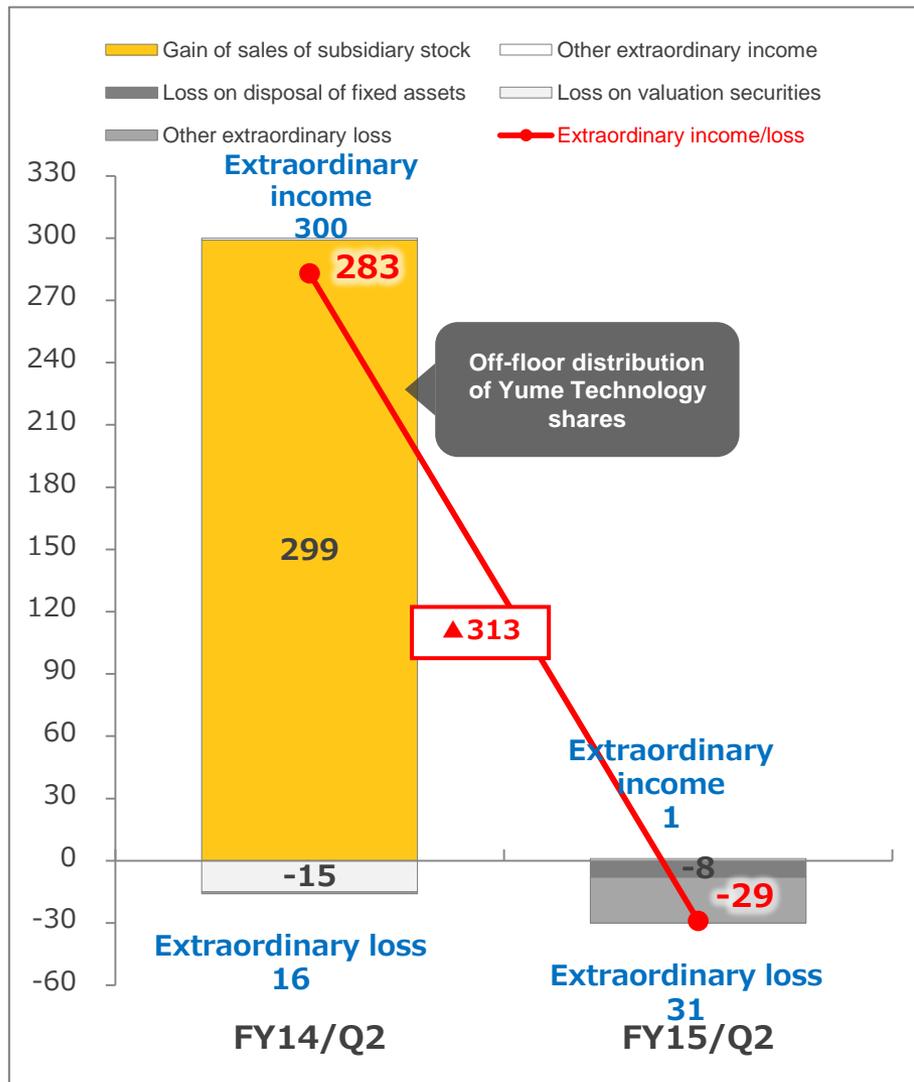


Consolidated P/L (5)

Extraordinary Income/Loss and Income Before Income Tax

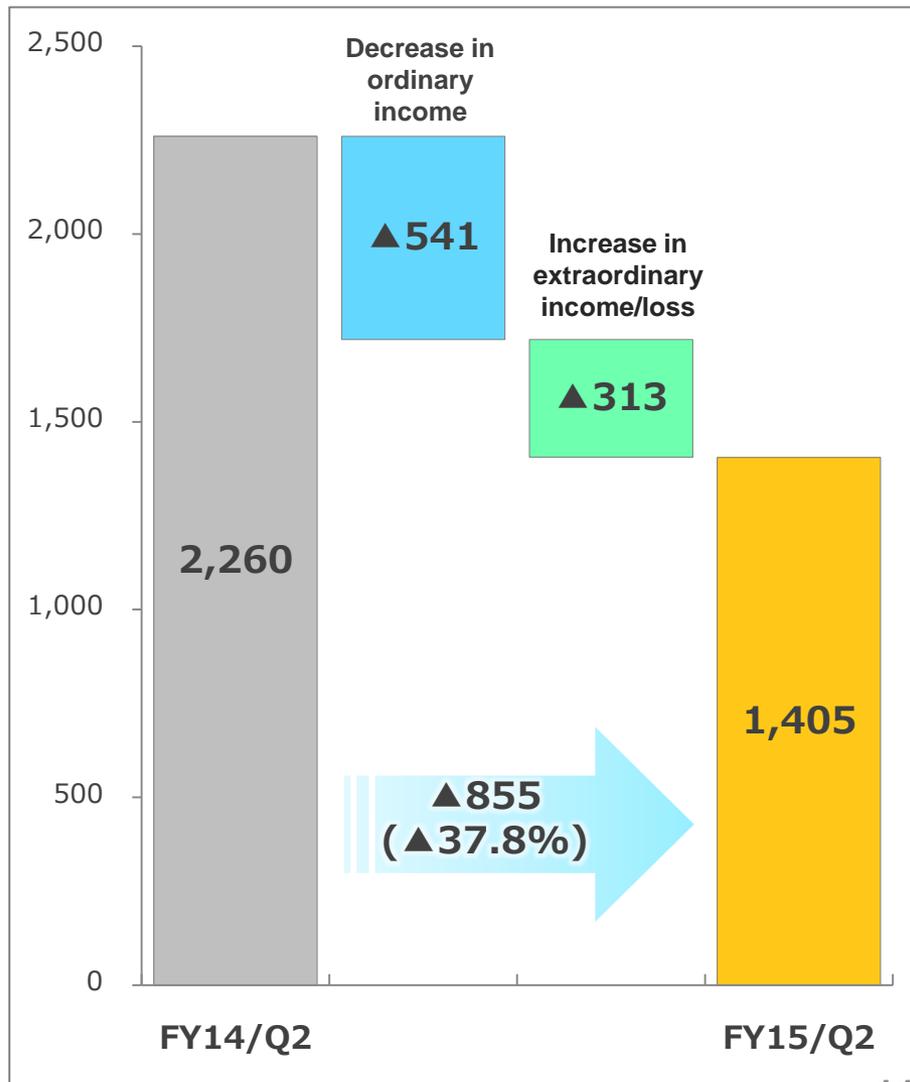
(million yen)

Extraordinary income/loss

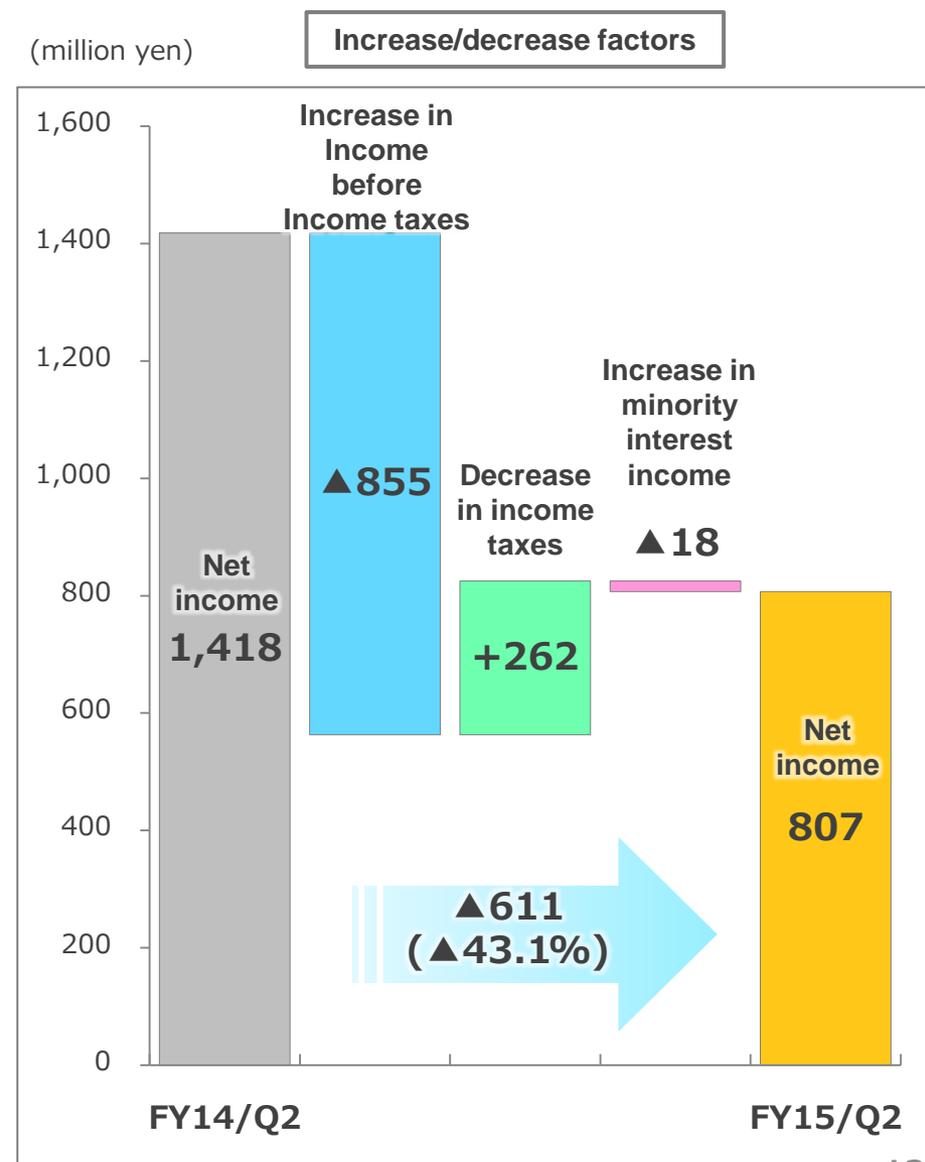
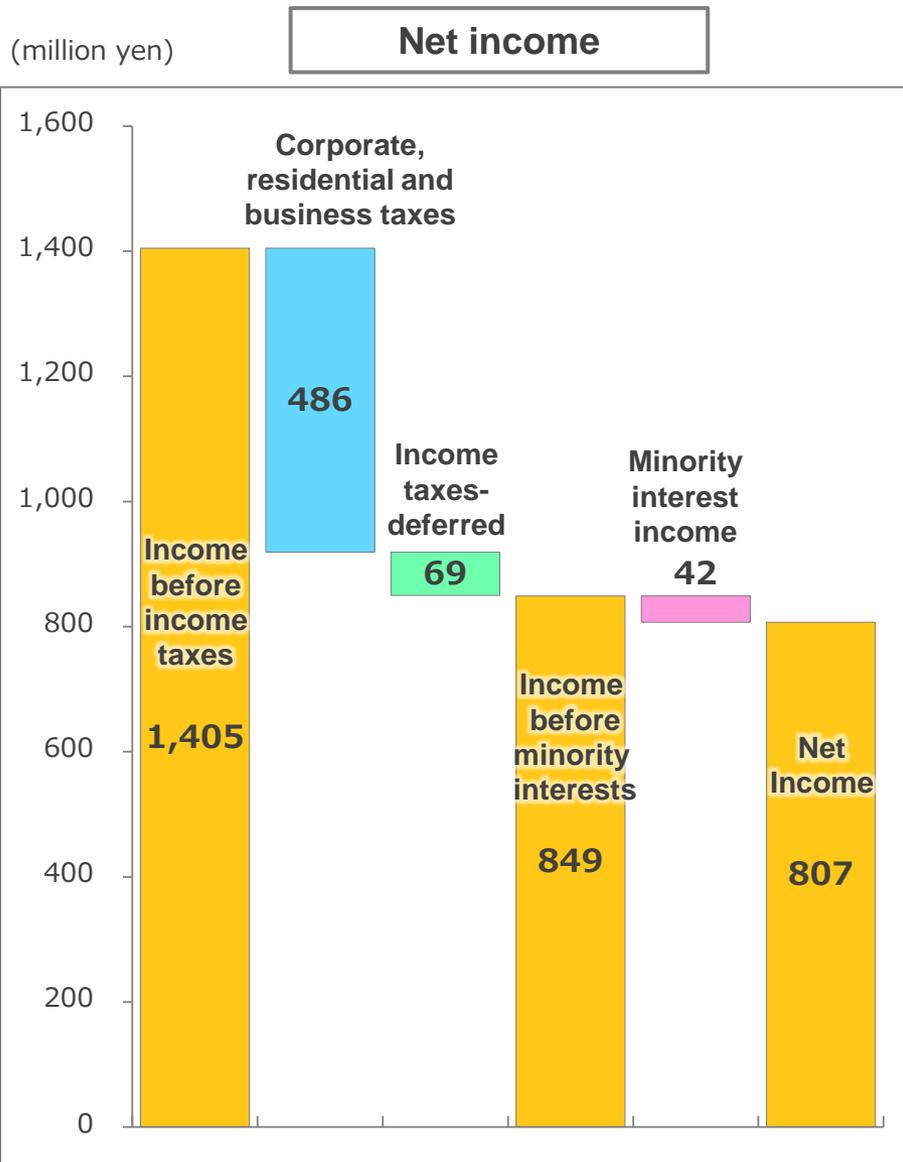


(million yen)

Income before income tax



Consolidated P/L (6) Net Income



Summary of Consolidated P/L Statement

(million yen)

	FY14/Q2	FY15/Q2	Change	Pct. change
Net sales	7,966	10,955	+2,989	37.5%
<i>Gross profit</i>	2,249 (28.2%)	2,916 (26.6%)	+666	29.7%
<i>SG&A expenses</i>	1,377 (17.3%)	1,644 (15.0%)	+267	19.4%
Operating income	872 (11.0%)	1,271 (11.6%)	+399	45.8%
Ordinary income	1,976 (24.8%)	1,435 (13.1%)	▲541	▲27.4%
Net income	1,418 (17.8%)	807 (7.4%)	▲611	▲43.1%

※ () = Percentage of sales

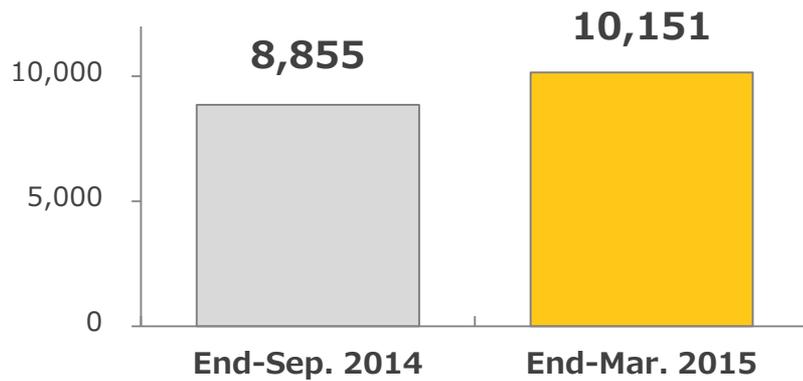
Consolidated Financial Overview

Consolidated B/S

Consolidated B/S

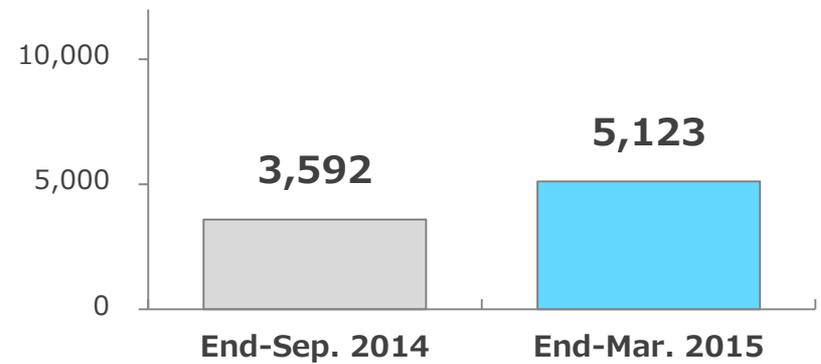
Current assets

(million yen)



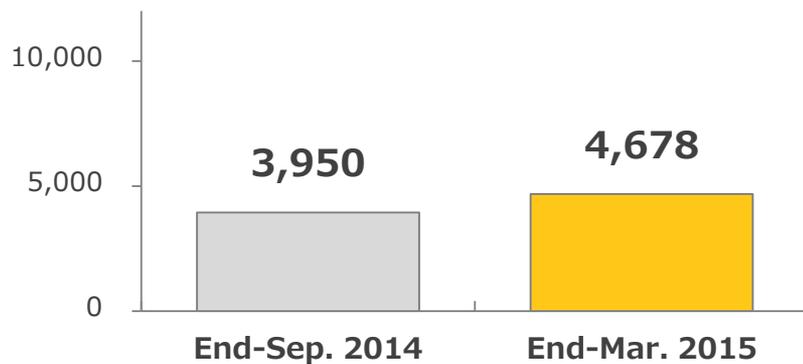
Current liabilities

(million yen)



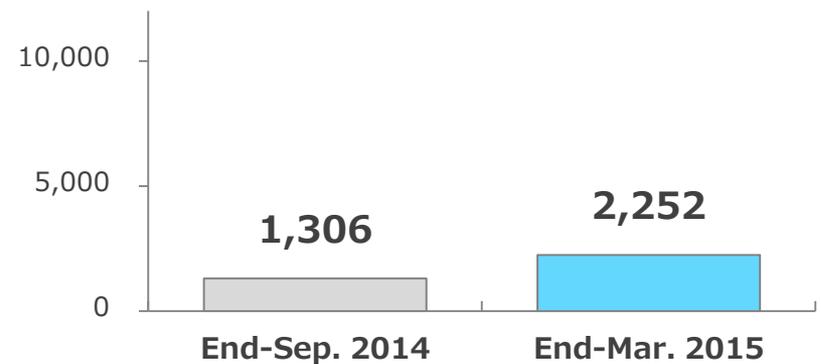
Fixed assets

(million yen)



Fixed liabilities

(million yen)



Consolidated B/S (1) Assets

(million yen)

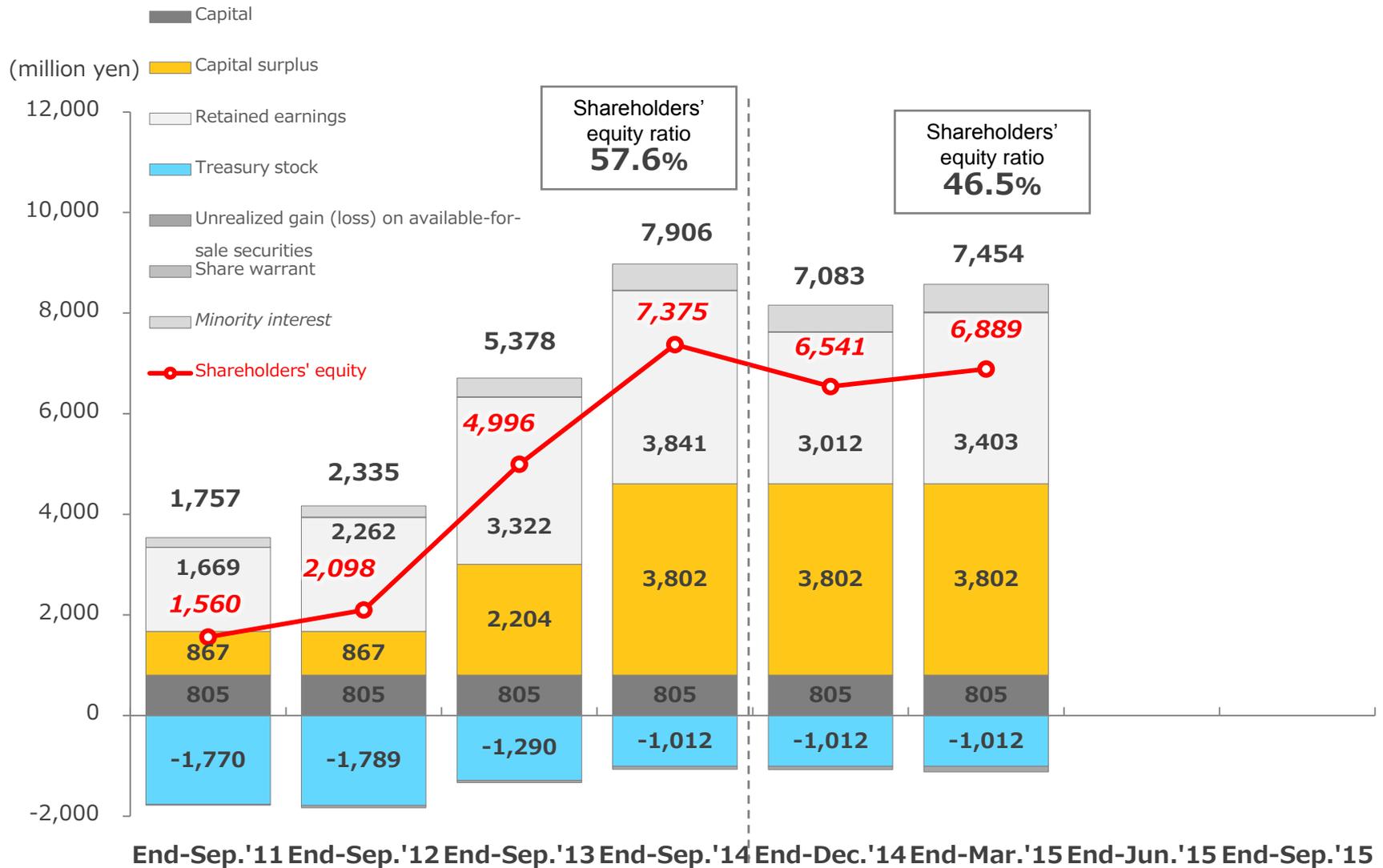
	End-Sep. 2014	End-Mar. 2015	Change	Remarks
Assets	12,806	14,830	+2,024	
Current assets	8,855	10,151	+1,295	
Cash and deposits	5,755	5,823	+68	
Notes and accounts receivable-trade	2,523	2,900	+376	• Increased due to increase in customers • Increased due to consolidation of Iwamotogumi
Inventory assets	1	822	+821	• Increased due to payment for uncompleted work of comprehensive construction business
Deferred tax assets	257	180	▲77	
Allowance for doubtful accounts	▲31	▲31	+0	
Fixed assets	3,950	4,678	+728	
Tangible fixed assets	1,946	2,095	+149	
Buildings and structures	1,018	1,121	+103	• Increased due to increase of day-service facility
Machinery, delivery equipment	11	10	▲1	
Land	863	863	-	
Lease asset	37	68	+31	
Intangible fixed assets	415	971	+555	
Goodwill	390	934	+543	• Increased due to consolidation of Iwamotogumi
Lease asset	6	5	▲1	
Investments and other assets	1,588	1,611	+23	
Investment securities	1,071	1,143	+71	• Increased due to net investment
Long-term debt	80	12	▲67	
Deferred tax assets	10	36	+26	
Allowance for doubtful accounts	▲46	▲49	▲2	

Consolidated B/S (2) Liabilities and Net Assets

(million yen)

	End-Sep. 2014	End-Mar. 2015	Change	Remarks
Liabilities	4,899	7,375	+2,476	
Current liabilities	3,592	5,123	+1,530	
Account payable-trade	11	9	▲2	
Short-term debt	100	434	+334	· Increased due to borrowing of working capital
Current portion of long-term debt	756	1,027	+271	
Accrued expenses	799	861	+61	
Income taxes payable	879	490	▲389	· Decreased due to payment of corporate taxes
Advances received	26	902	+876	· Increased due to uncompleted work of comprehensive construction business
Reserve for bonuses	239	310	+70	
Fixed liabilities	1,306	2,252	+945	
Long-term debt	892	1,722	+829	· Increased due to borrowing of working capital
Lease obligations	28	55	+27	
Loss on retirement benefit	287	286	▲1	
Net assets	7,906	7,454	▲452	
Shareholders' equity	7,436	6,998	▲438	
Capital	805	805	-	
Capital surplus	3,802	3,802	-	
Retained earnings	3,841	3,403	▲438	· Net income – Year-end dividend for FY9/14
Treasury stock	▲1,012	▲1,012	-	
Accumulated other comprehensive income	▲60	▲108	▲47	
Valuation difference on available-for-sale	▲60	▲106	▲46	
Share warrant	12	11	▲1	
Minority interest	518	553	+35	

Consolidated B/S (3) Shareholders' Equity



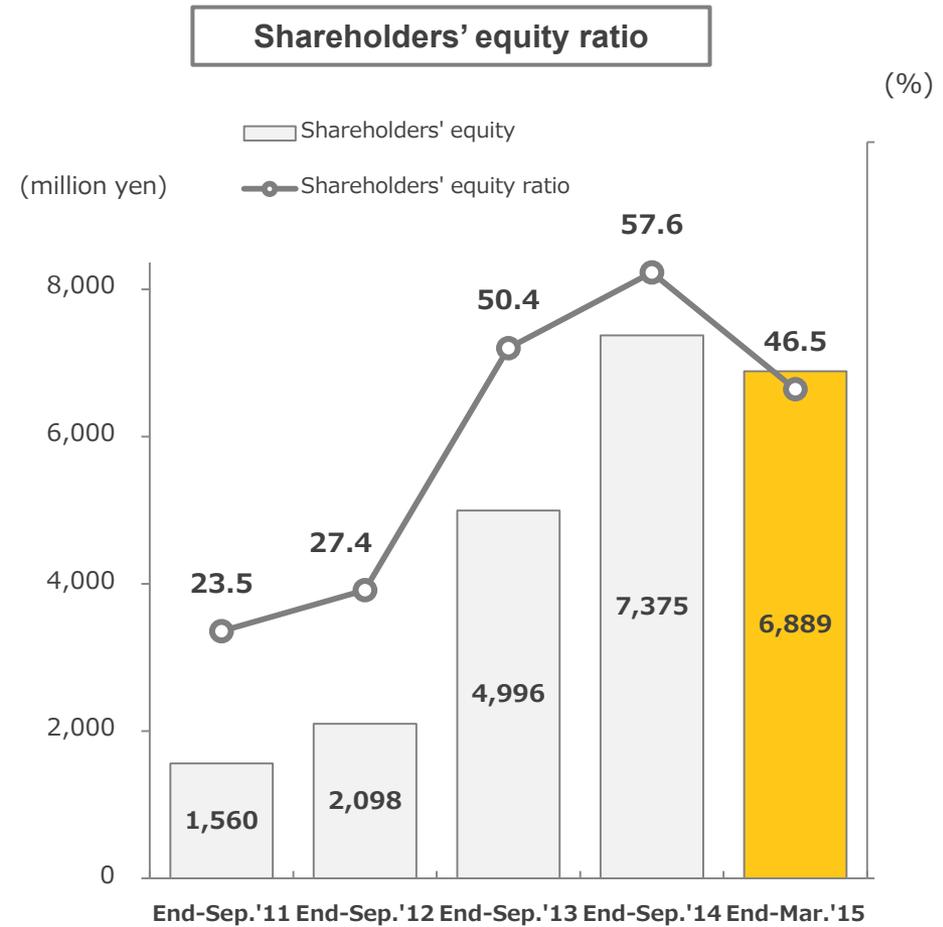
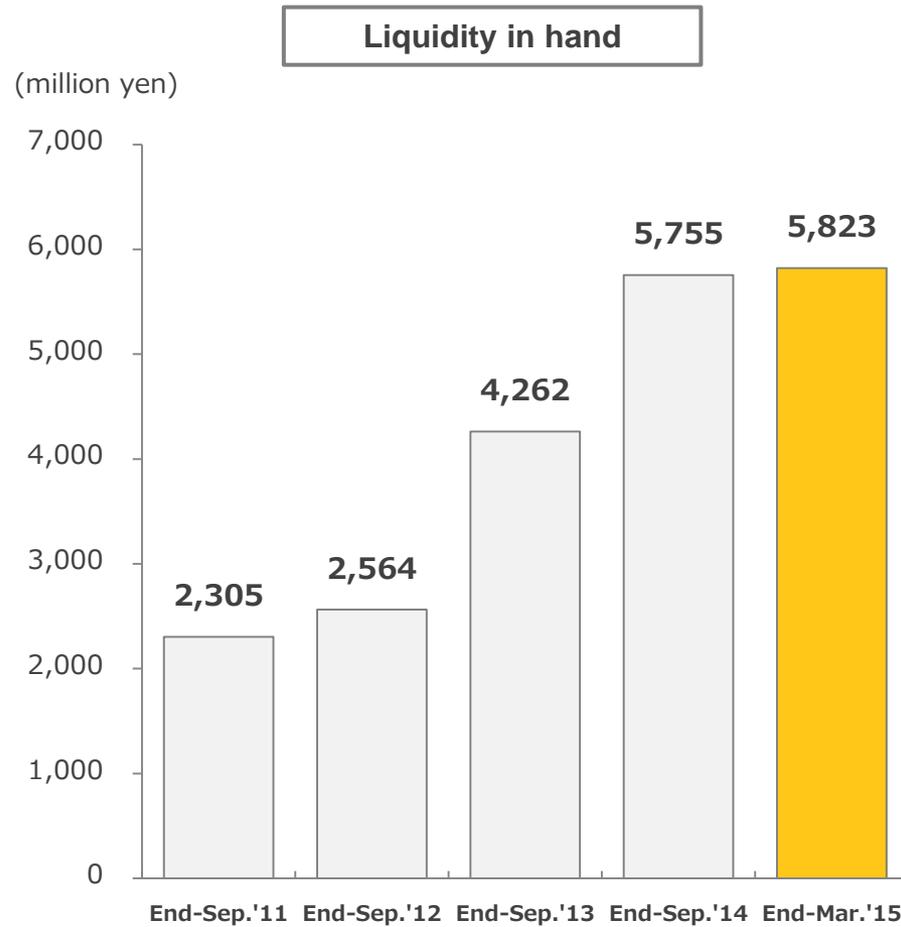
*Shareholders' equity = Net assets - Minority interest - Share warrant

Consolidated Financial Overview

Financial Index

Financial Index (1)

Liquidity in Hand and Shareholders' Equity

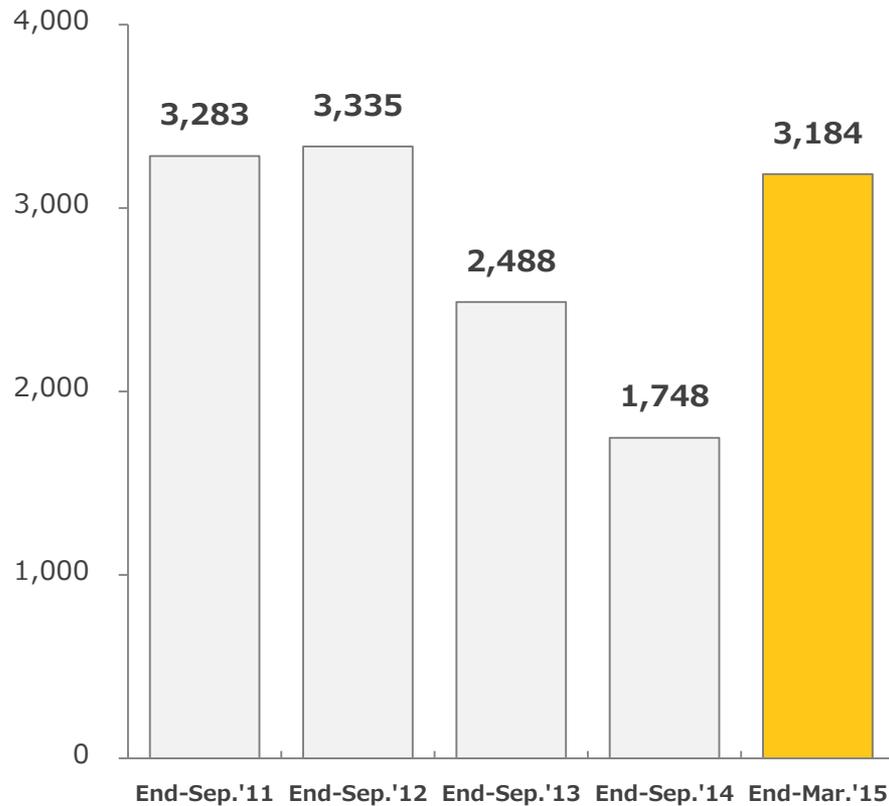


- *1. Liquidity in hand = Cash and deposits+ Securities included in current assets
- *2. Shareholders' equity = Net assets—Minority interest—Share warrant
- *3. Shareholders' equity ratio = Shareholders' equity ÷ Total assets

Financial Index (2) Interest-bearing Debt

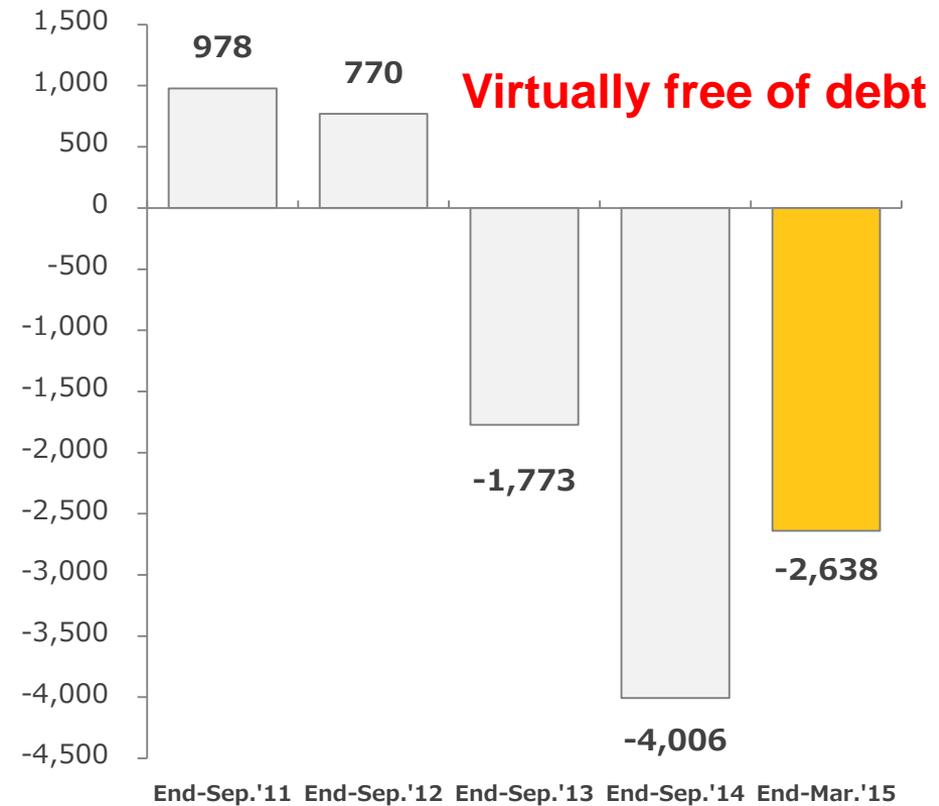
Interest-bearing debt

(Million yen)



Net interest-bearing debt

(Million yen)



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

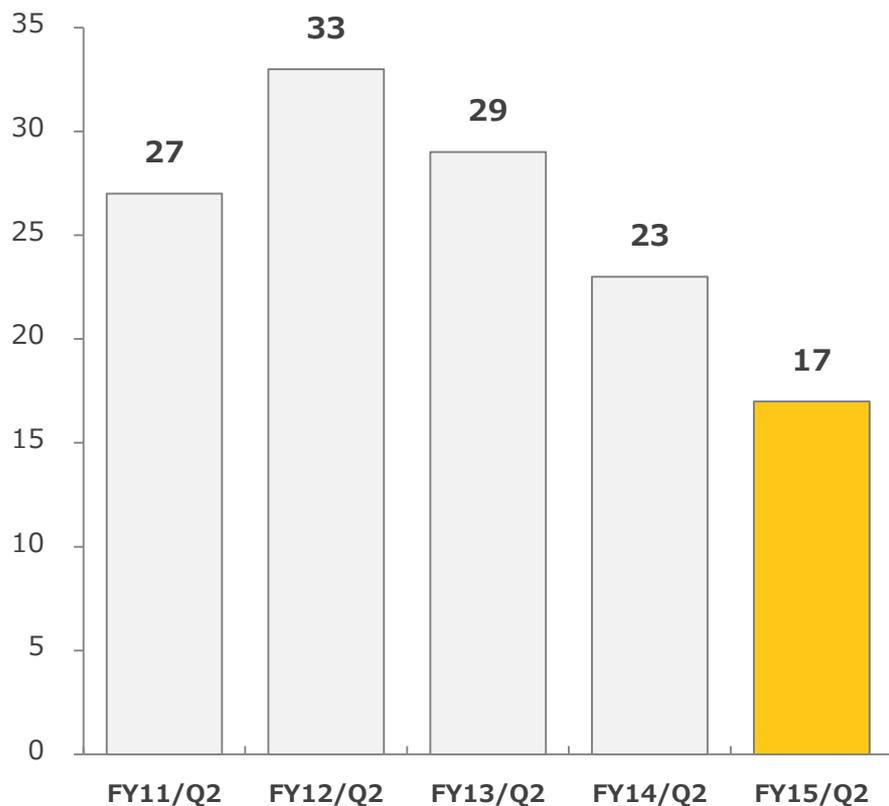
*2. Net interest-bearing debt = Interest-bearing debt - Liquidity in hand

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

Financial Index (3) Interest Paid and ICR

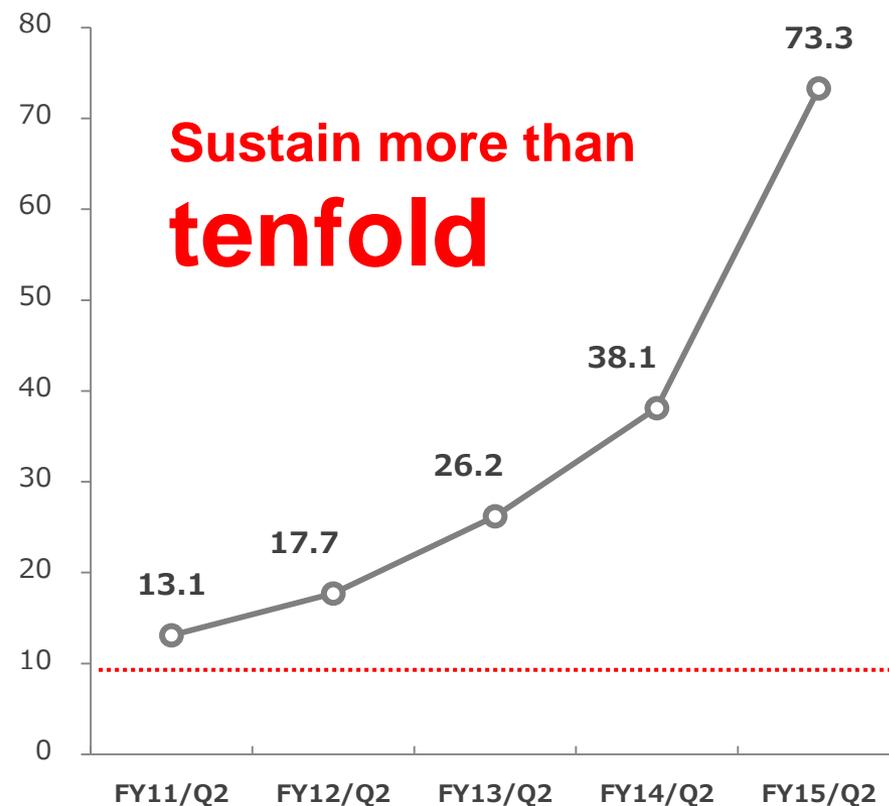
Interest paid

(Million yen)



ICR

(Times)

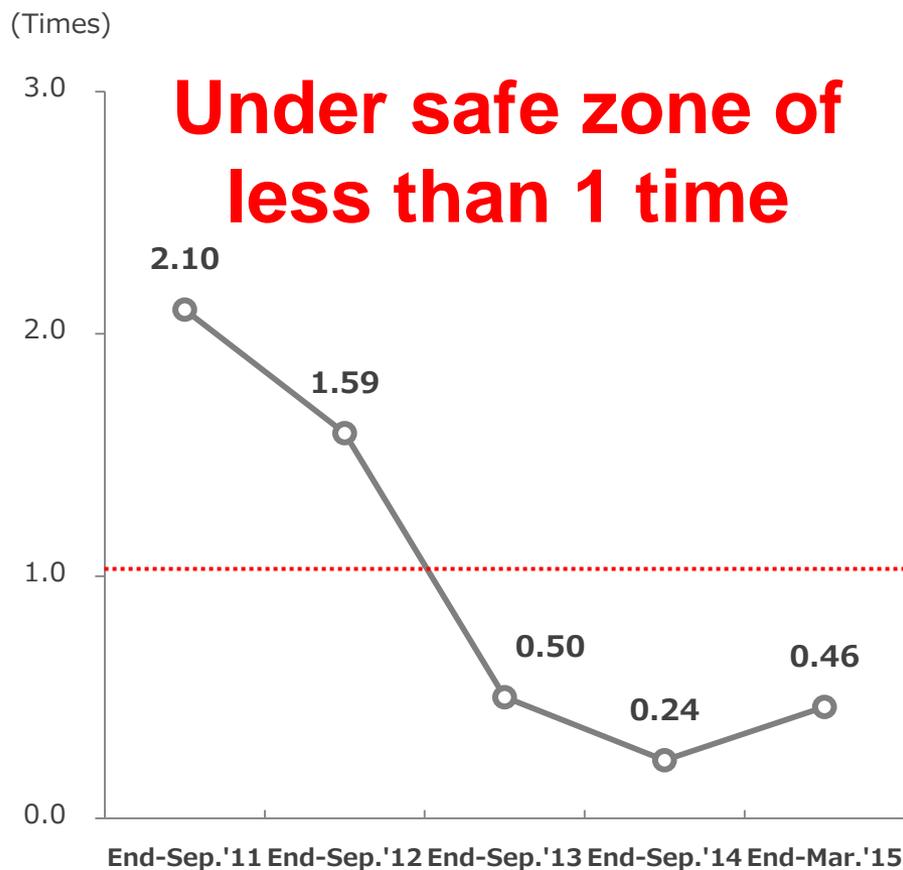


*1. Instant coverage ratio (ICR) = Net operating profit ÷ Interest paid

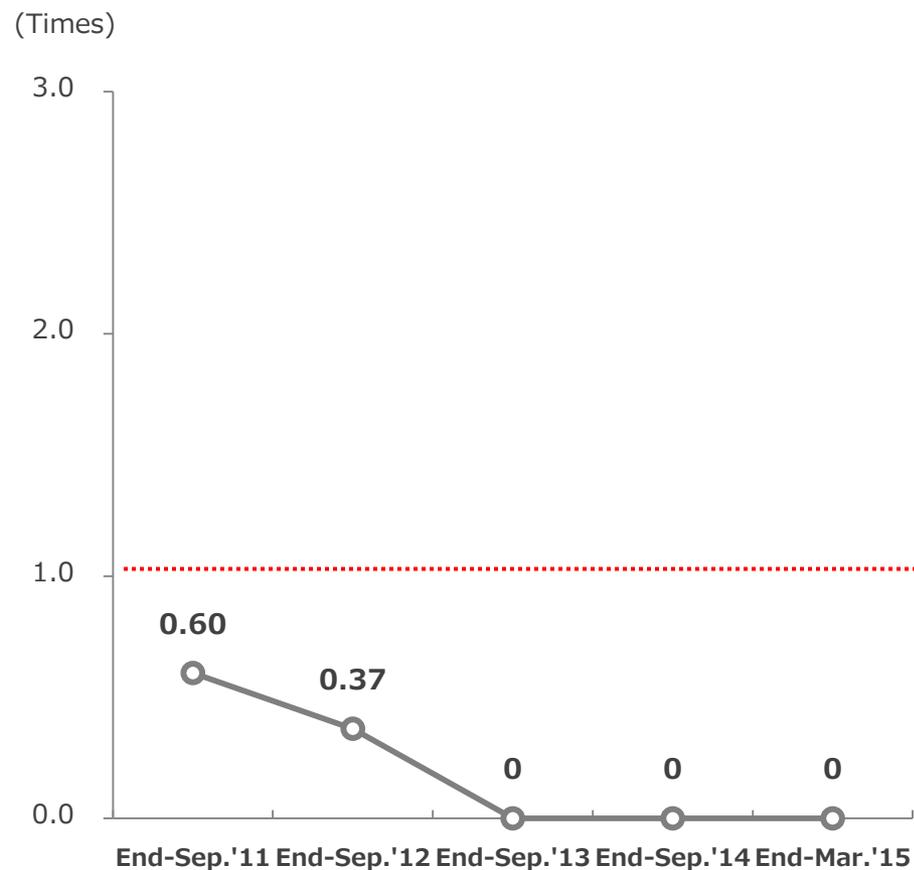
2. Net operating profit = Operating income + Interest received + Investment gain/loss on equity method

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-Mar. '15	Change
Shareholders' equity	7,375	6,889	▲486
Shareholders' equity ratio	57.6%	46.5%	▲11.1pt.
Liquidity in hand	5,755	5,823	+68
Interest-bearing debt	1,748	3,184	+1,367
D/E ratio	0.24times	0.46times	+0.23pt.

Segment Overview

Segment Overview

**Construction Technician
Temporary Staffing**

TOPIC

- 1 . Net sales up 24%**
- 2 . Operating income up 57%**
- 3 . Operating income ratio
rised up to 18% level**

Four Indicators of Sales

No. of engineers

×

Operating rate

×

Operating time

×

Unit cost of
temporary staffing



Sales

Number of Engineers (1) Recruitment

- Favorable trend since January, although the plan was not achieved in 1Q

(Unit: Persons)

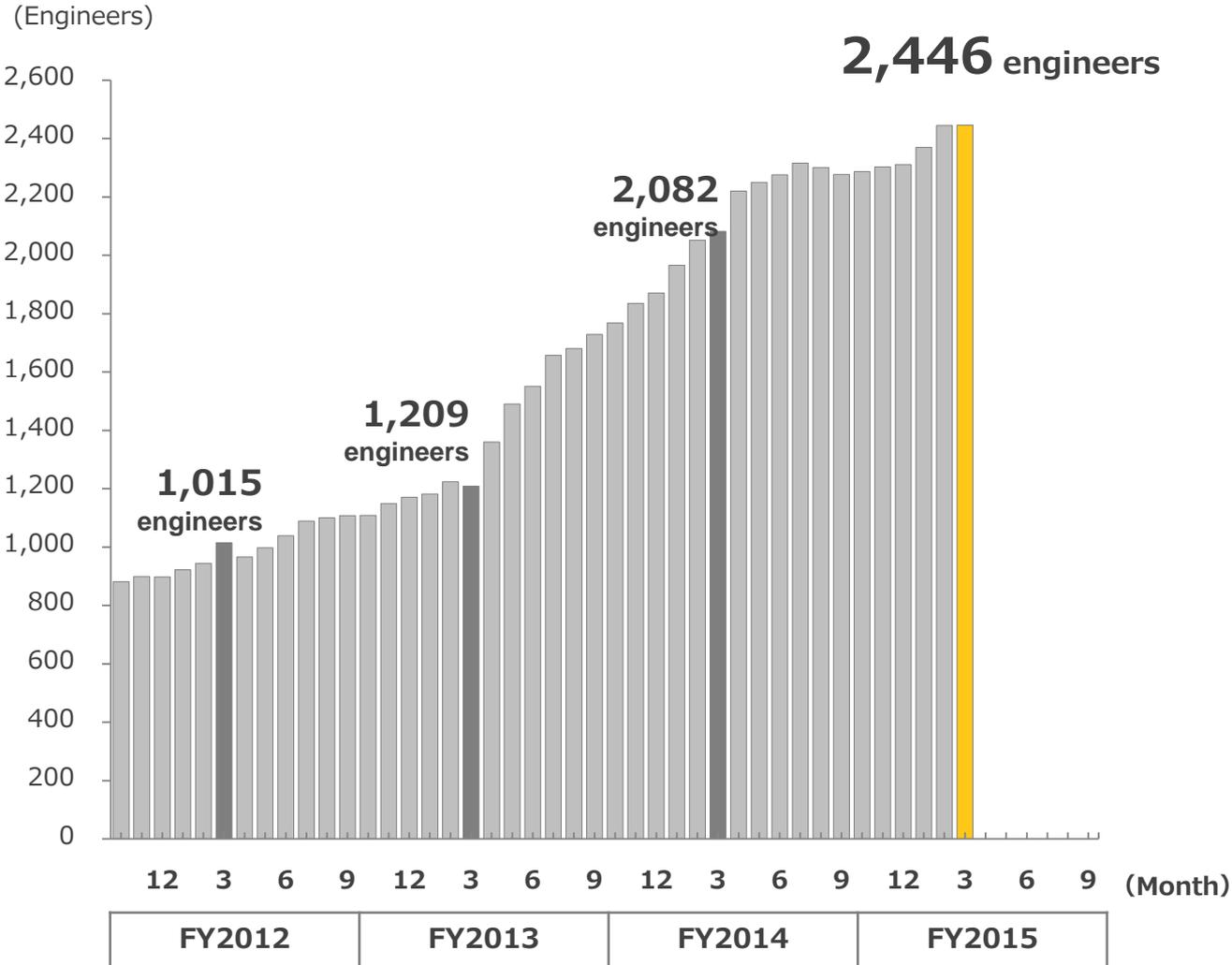
	Oct	Nov	Dec	Jan	Feb	Mar	Oct – Mar total
FY15 Planned recruitment	305			405			710
FY15 recruitment	269			436			705
Difference	▲36			+31			▲5

	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

■ **+17.5%** compared with the end of previous fiscal year



FY15 Q2
(Oct. – Mar. average)
2,360
engineers

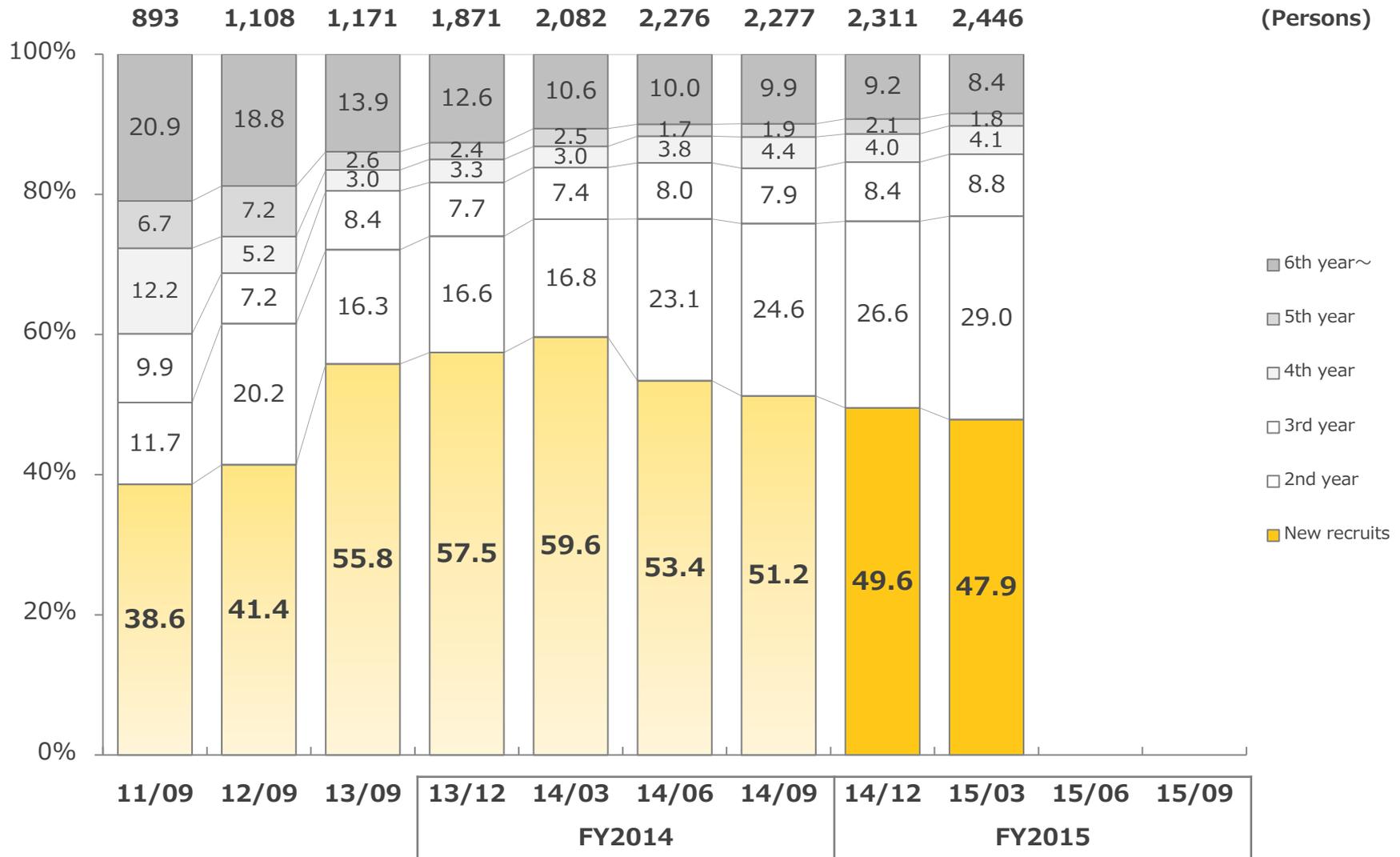
+431 engineers

FY14 Q2
(Oct. – Mar. average)
1,929
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

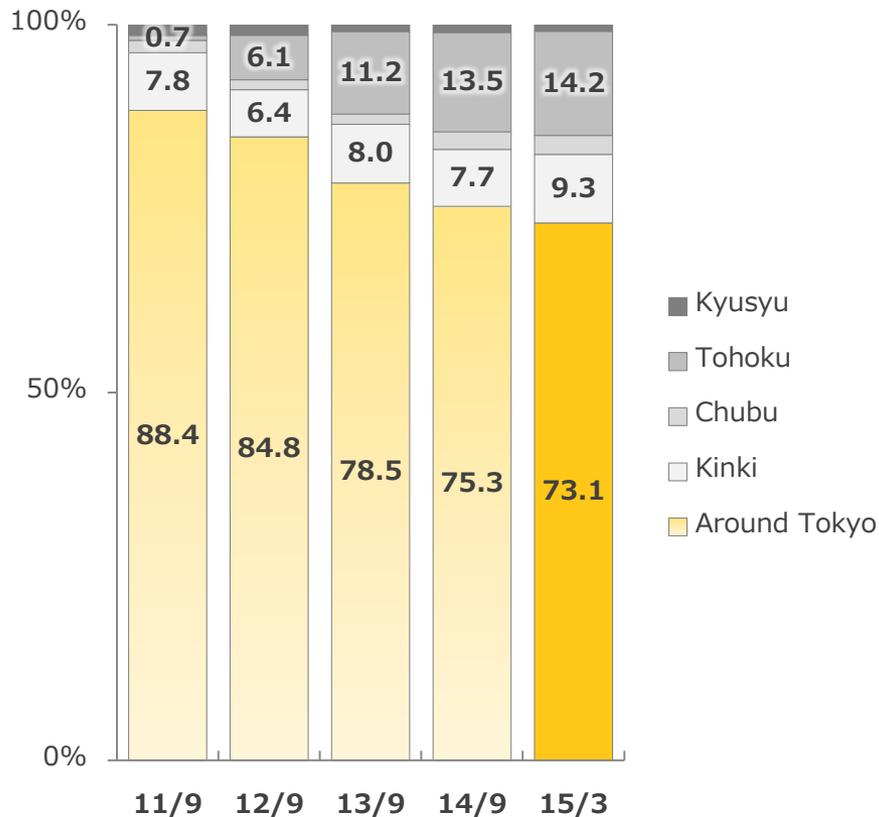


Number of engineers (4)

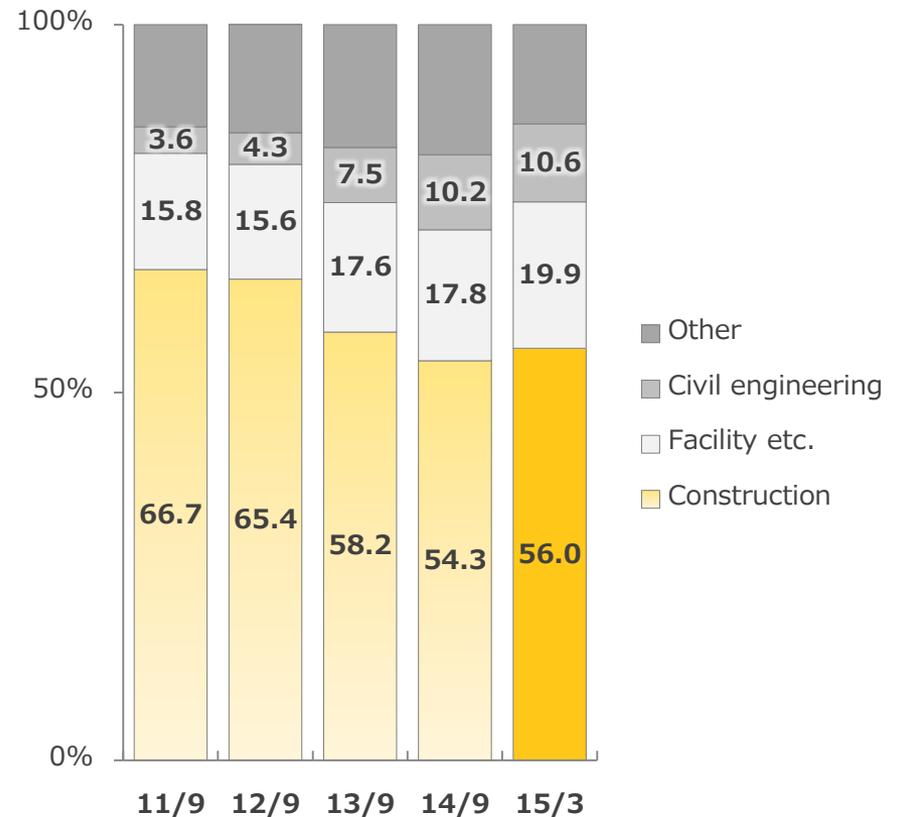
Ratio by area and industry of temporary staffing

■ Business in Tohoku and civil engineering industry grew, although four years have passed since the Great East Earthquake

Ratio by area of temporary staffing

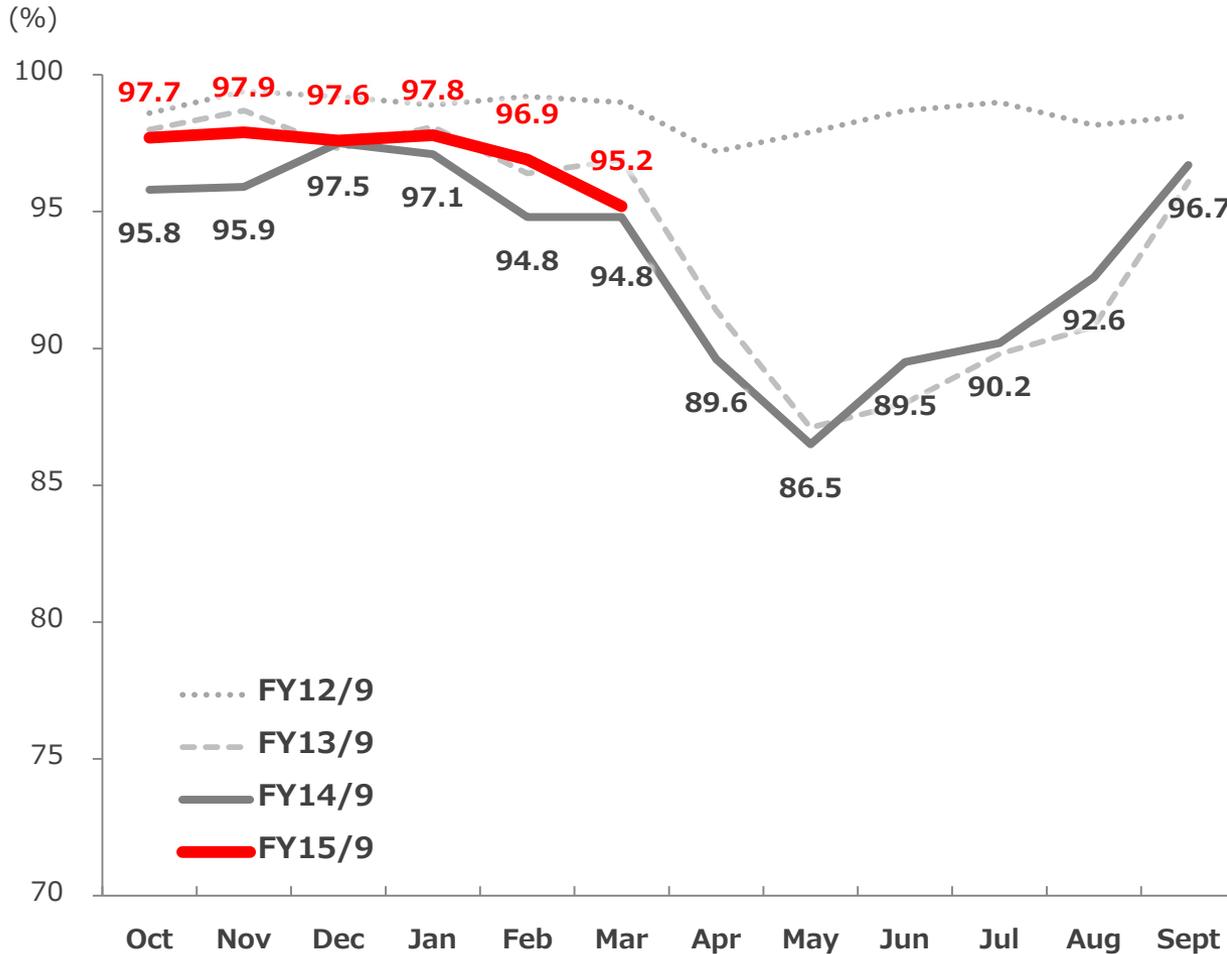


Ratio by industry of temporary staffing



Operating Rate

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



Q1	Q2	Q3	Q4
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FY15 Q2
(Oct. – Mar. average)
97.2%

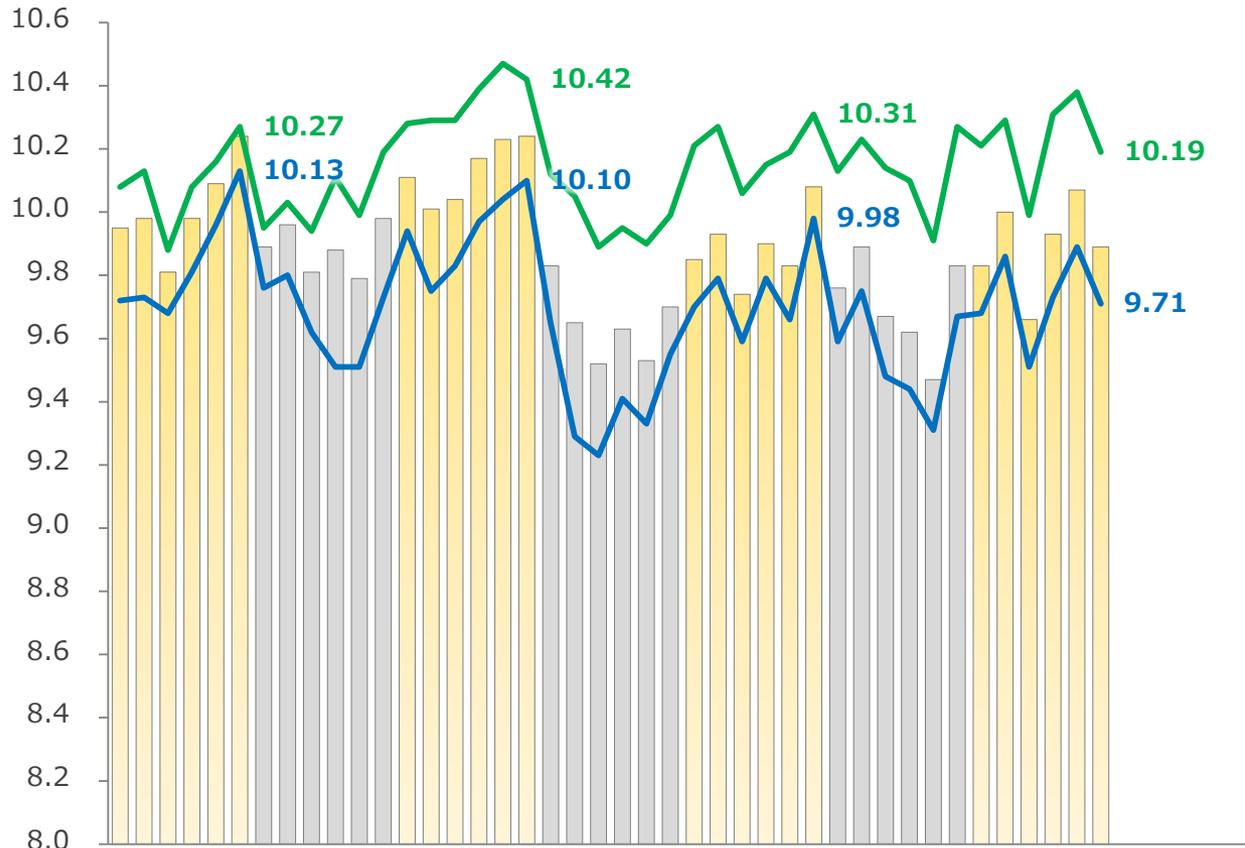
+1.2pt.

FY14 Q2
(Oct. – Mar. average)
96.0%

Operating Time

■ Settled at 10h/day due to labor control

(h/day) ■ All engineers — From the 2nd year — New recruits only



FY15 Q2
(Oct. – Mar. average)
9.90h

+0.01h

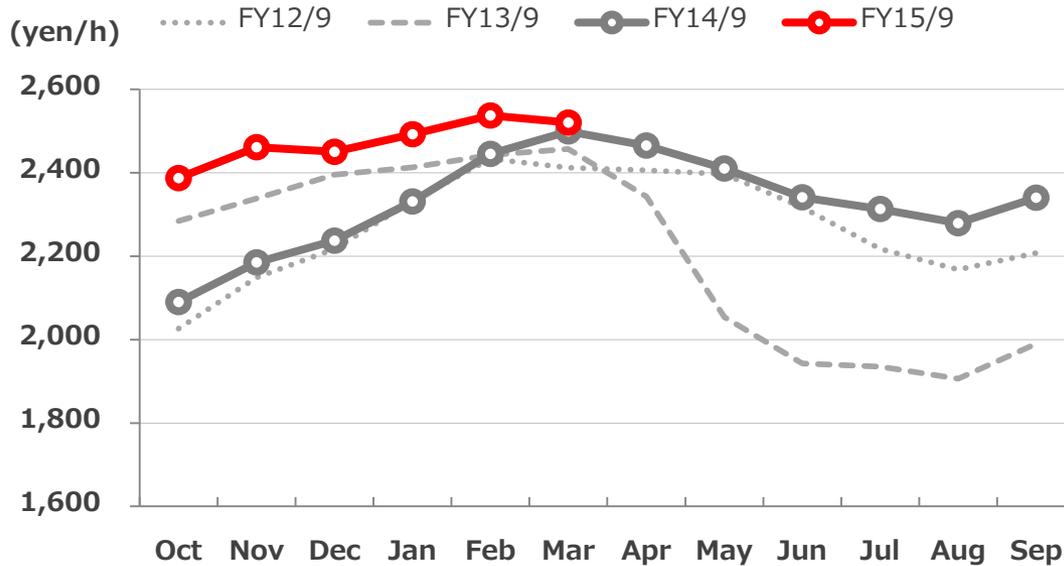
FY14 Q2
(Oct. – Mar. average)
9.89h

※ All engineers average

Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
FY12				FY13				FY14				FY15			

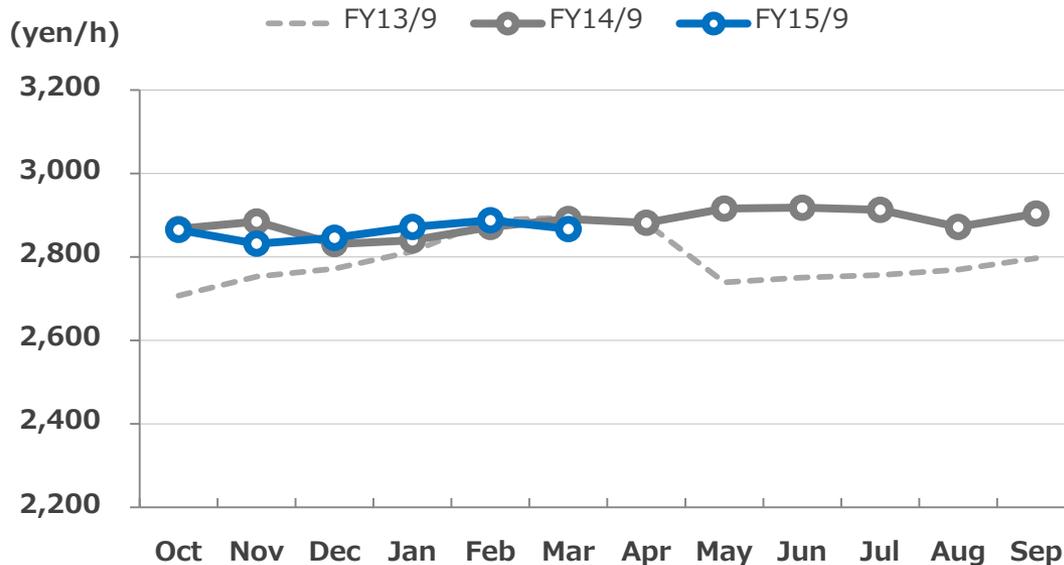
Unit Cost of Temporary Staffing (1)

Changes in New Recruits and 2nd Year



New recruits only

+7.7%
YoY

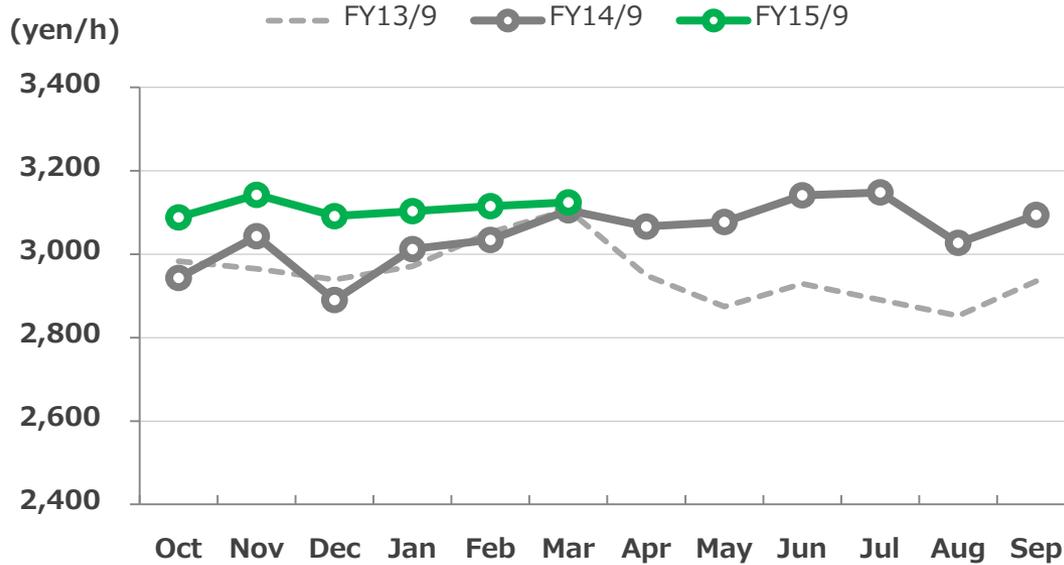


2nd year only

▲0.1%
YoY

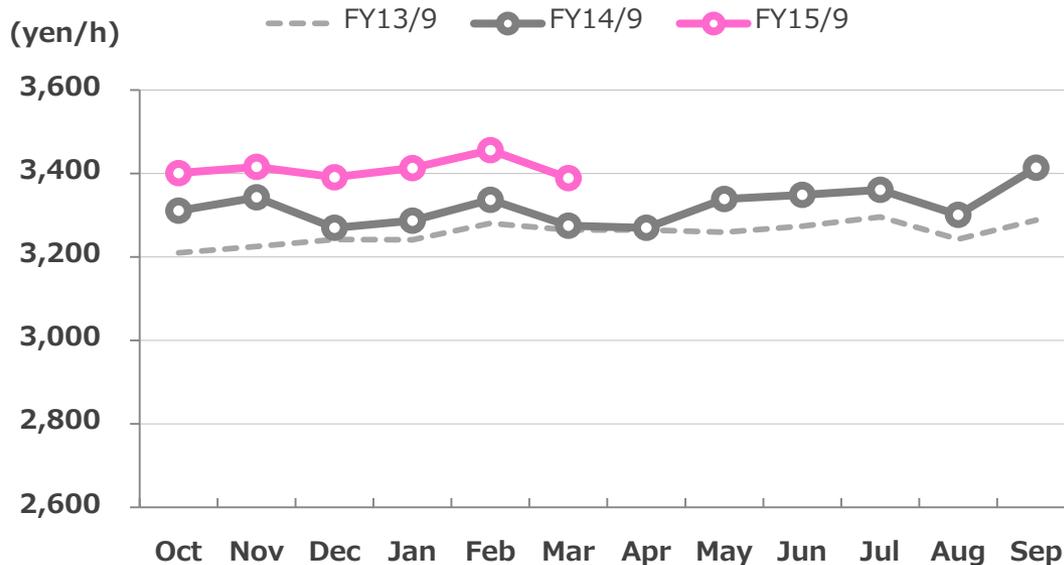
Unit Cost of Temporary Staffing (2)

Changes from the 3rd and 4th Year and Over



3rd year only

+3.5%
YoY

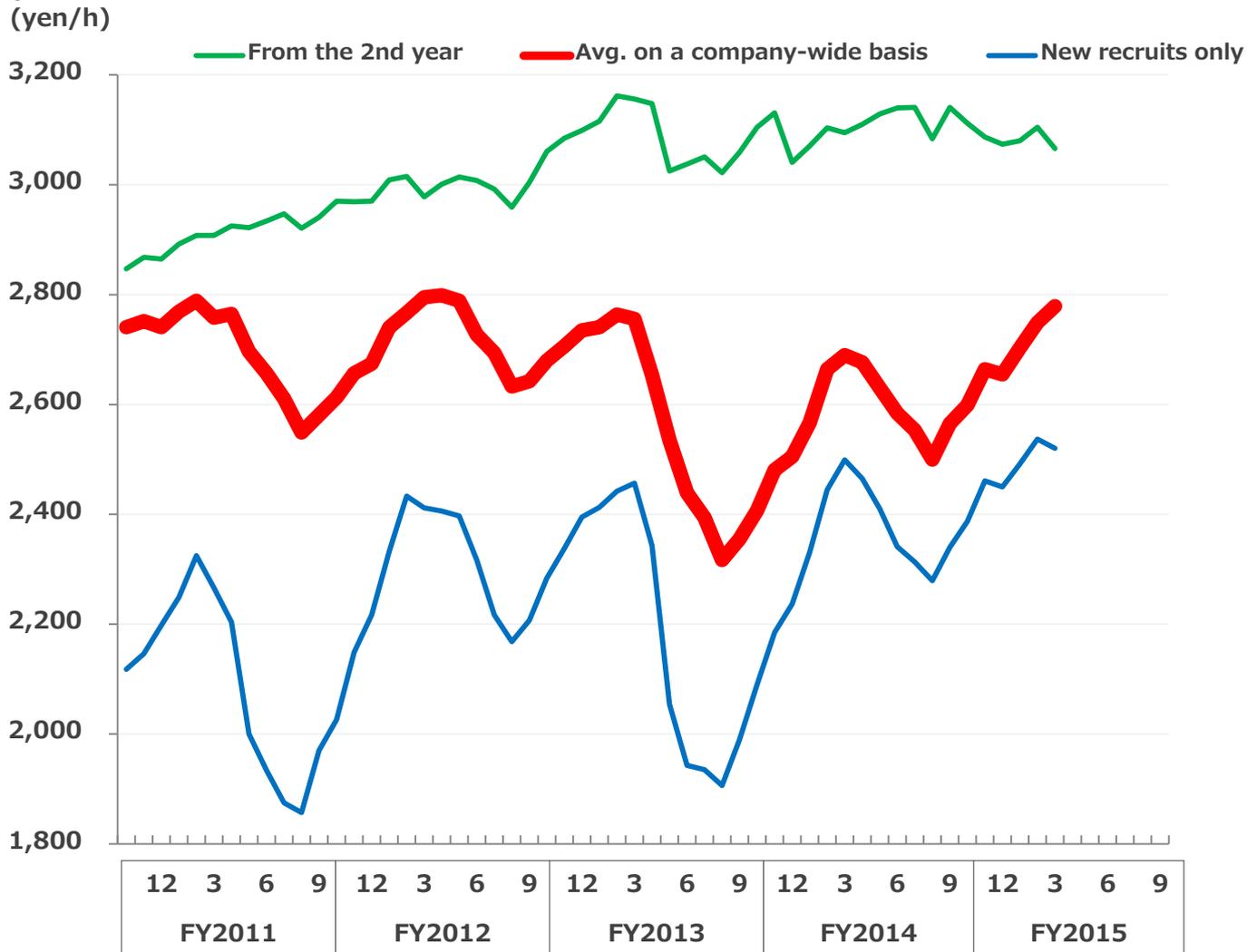


From the 4th year

+3.2%
YoY

Unit Cost of Temporary Staffing (4) Interim Changes

- Decrease in ratio of new recruitments + increase in unit cost of new recruitments → 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

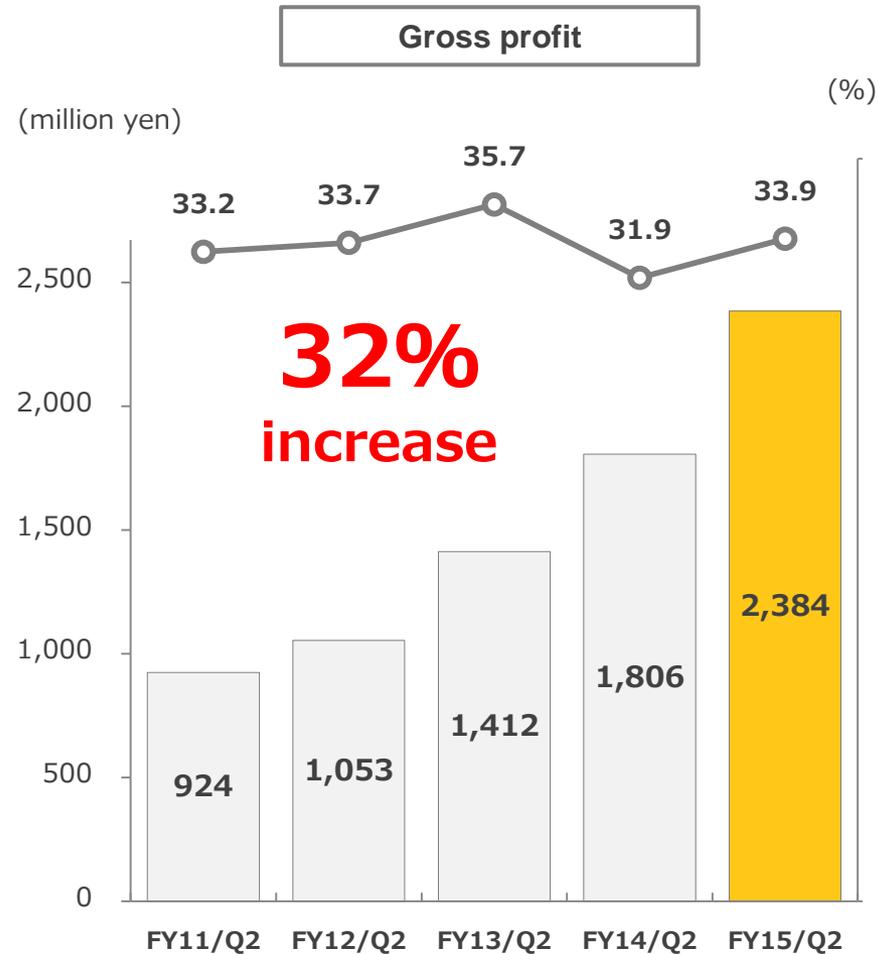
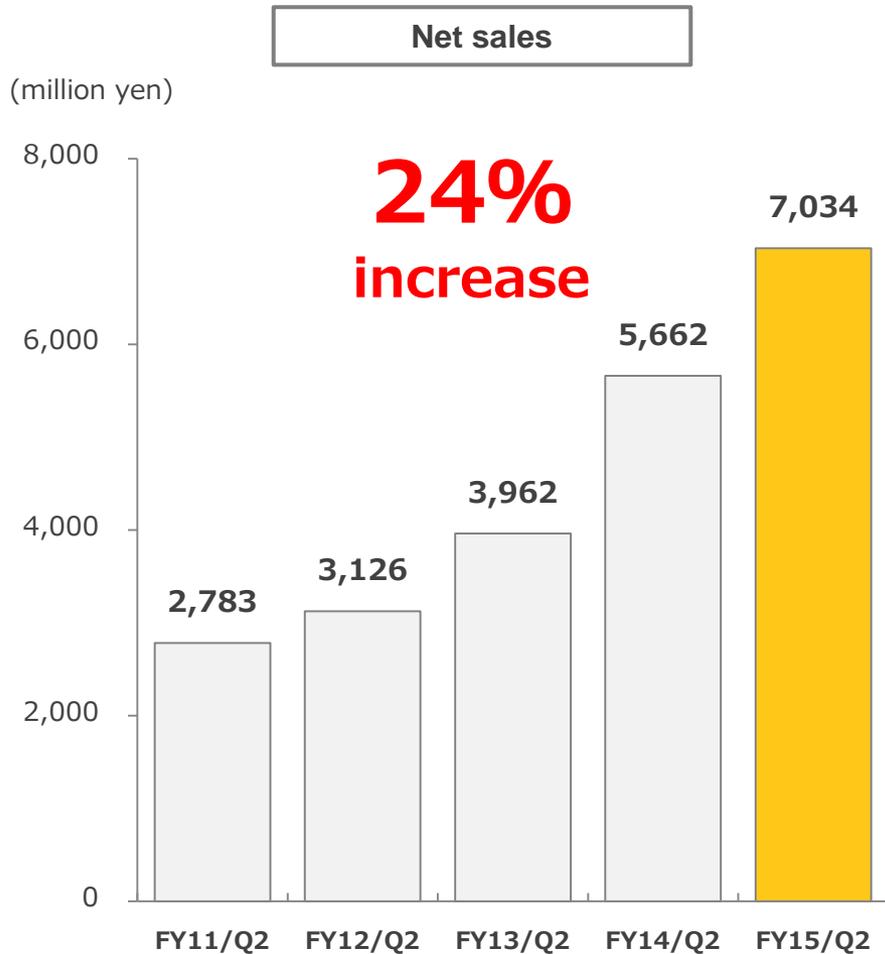
Six months average of all engineers (Oct. - Mar.)

	FY14/Q2	FY15/Q2	Change
No. of engineers	1,929 engineers	2,360 engineers	+431 engineers
Operating rate	96.0%	97.2%	+1.2pt.
Operating time	9.89h	9.90h	+0.01h
Unit cost of temporary staffing	2,524yen	2,692yen	+168yen

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

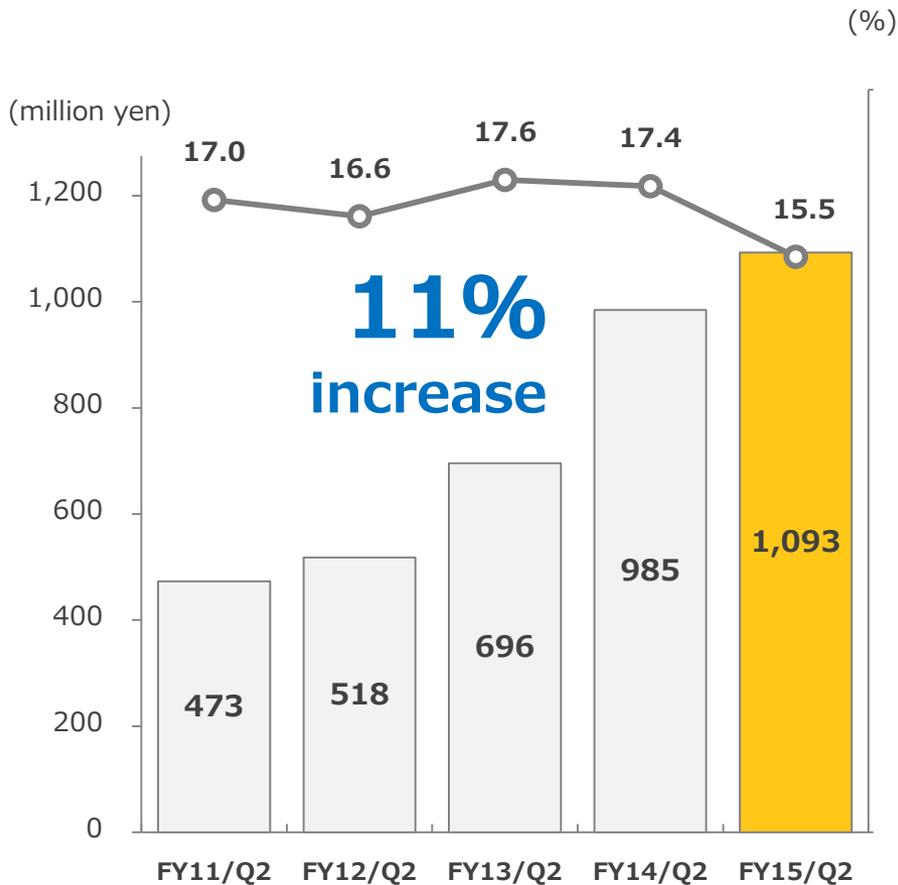


Non-consolidated P/L Statement (2)

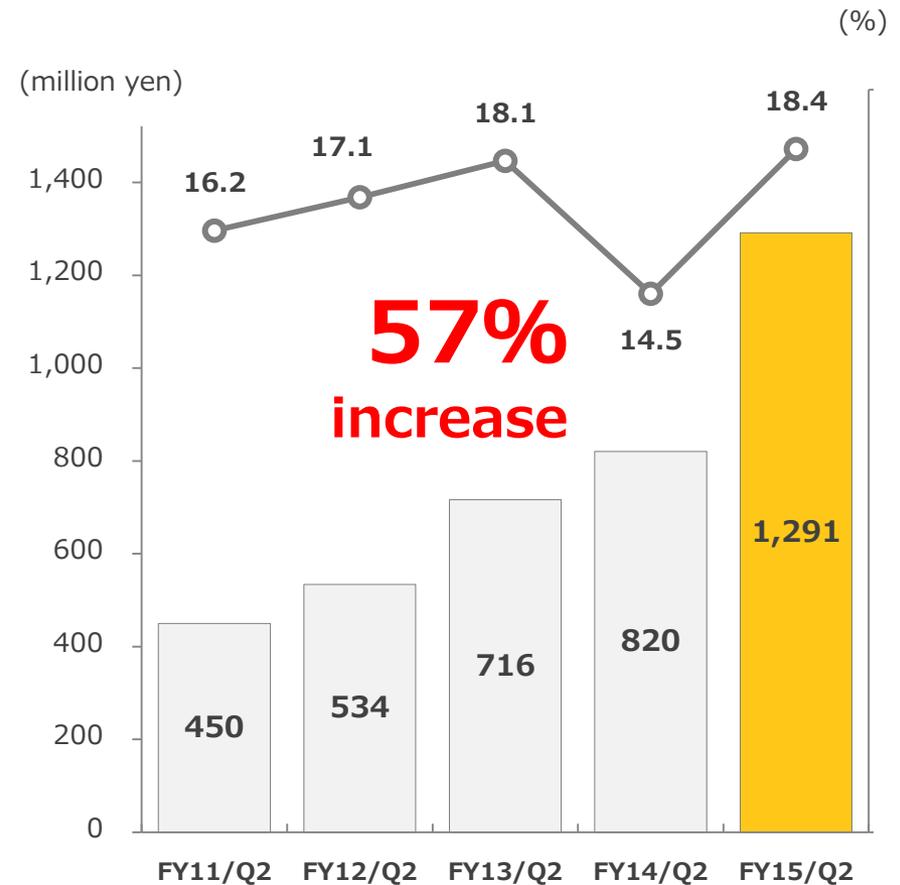
SG&A Expenses and Operating Income (Total)

■ Comprehensive cost management → Operating income ratio was drastically improved

SG&A expenses



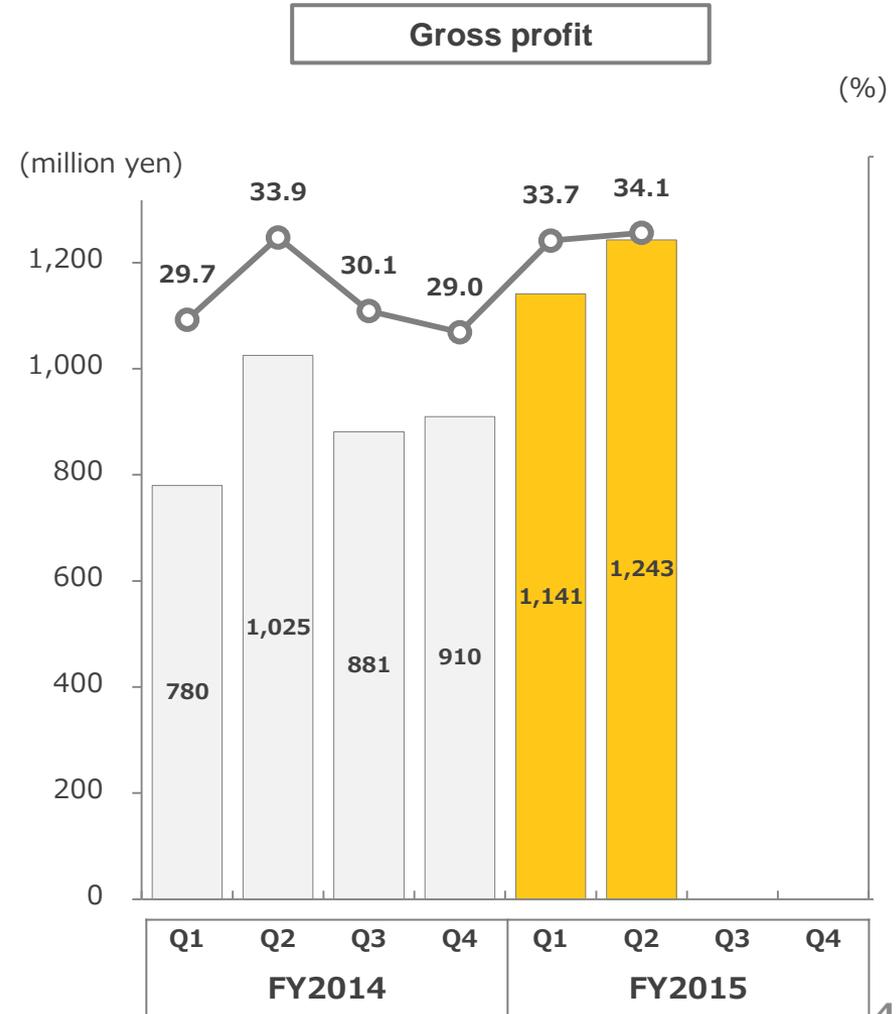
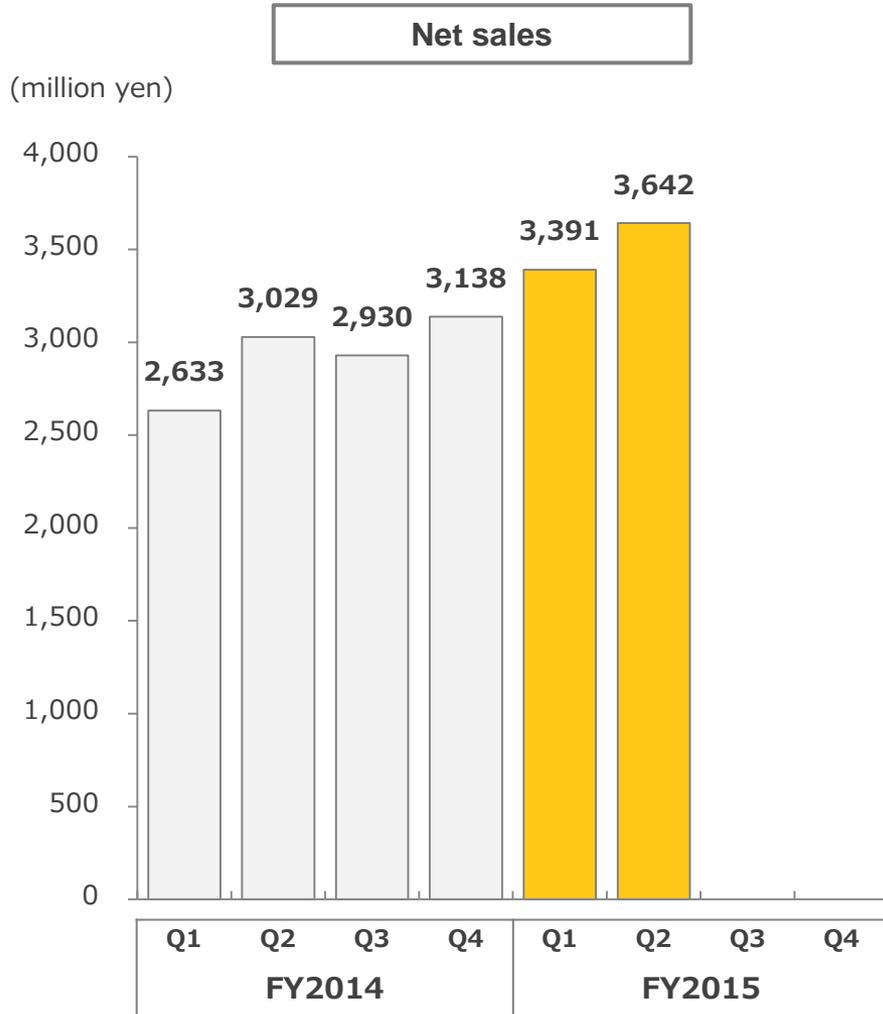
Operating income



Non-consolidated P/L Statement (3)

Net Sales and Gross Profit (Quarter)

■ Gross profit increased due to recovery of unit cost and improvement in operating rate



Non-consolidated P/L Statement (4)

SG&A Expenses and Operating Income (Quarter)

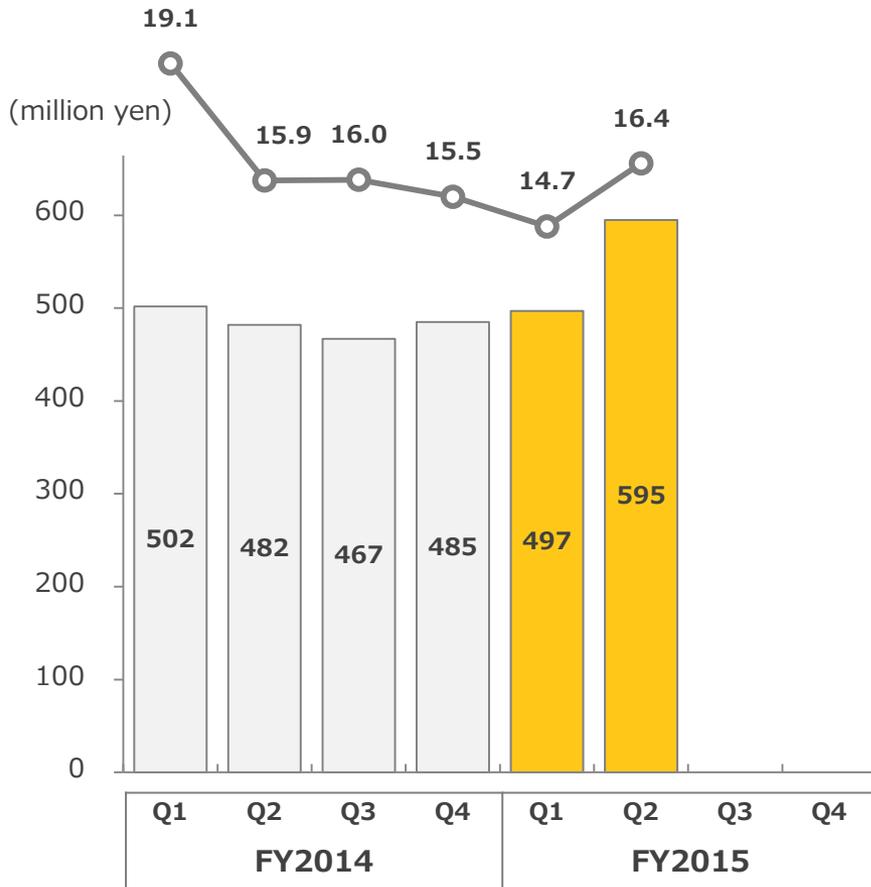
- SG&A expenses increased due to increase in expenses for transfer of headquarter and advertisement cost → Operating income ratio decreased

SG&A expenses

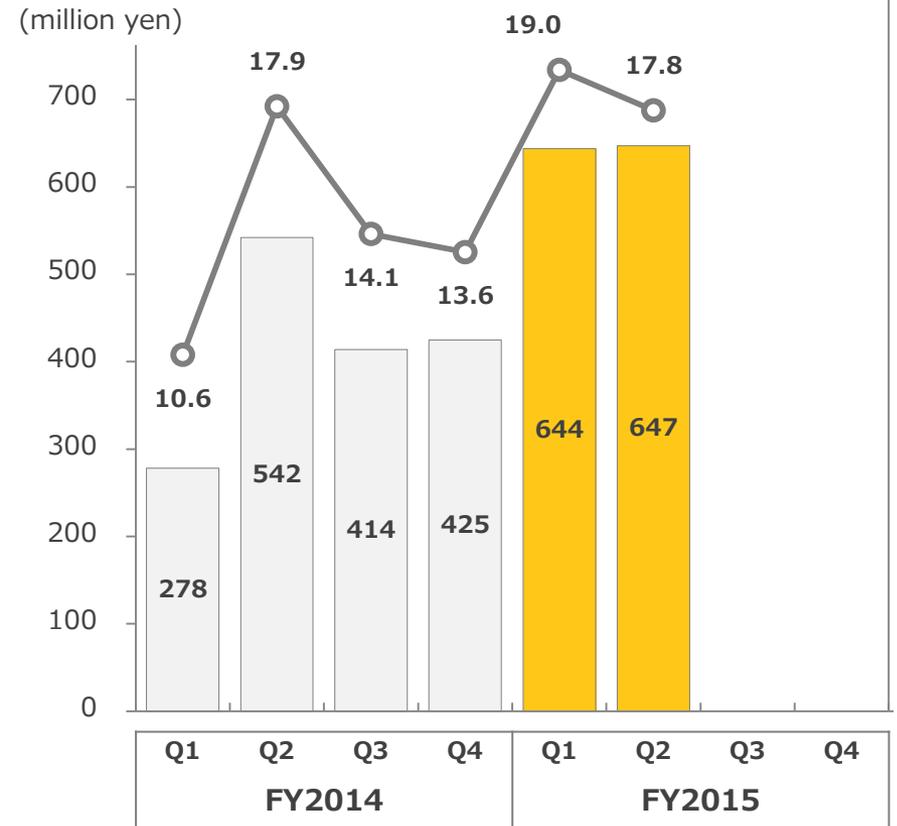
(%)

Operating income

(%)



(million yen)



Summary of Non-consolidated P/L Statement

(million yen)

	FY14/Q2	FY15/Q2	Change	Pct. change
Net sales	5,662	7,034	+1,371	24.2%
Gross profit	1,806 (31.9%)	2,384 (33.9%)	+578	32.0%
SG&A expenses	985 (17.4%)	1,093 (15.5%)	+107	10.9%
Operating income	820 (14.5%)	1,291 (18.4%)	+470	57.4%
Ordinary income	1,687 (29.8%)	1,403 (20.0%)	▲284	▲16.9%
Net income	1,245 (12.0%)	856 (12.2%)	▲388	▲31.2%

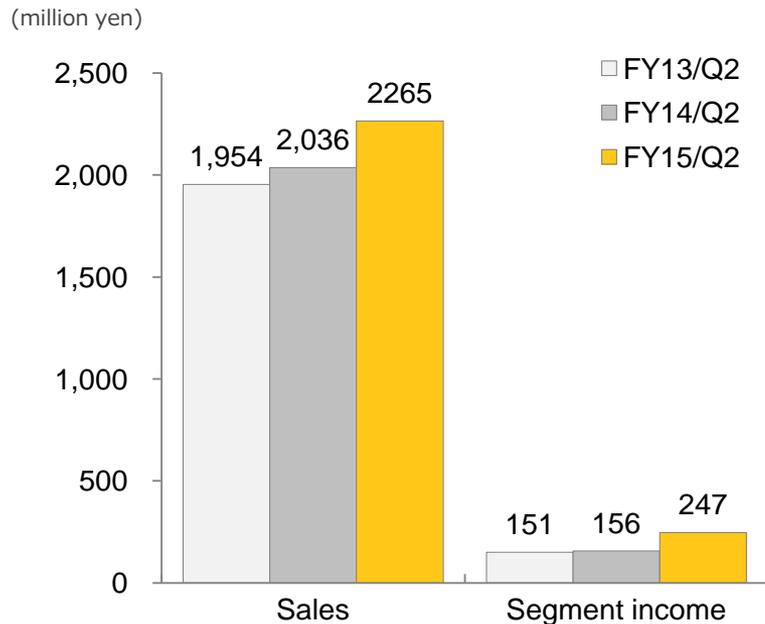
*() = Percentage of sales

Other Segments

Other Segments (1)

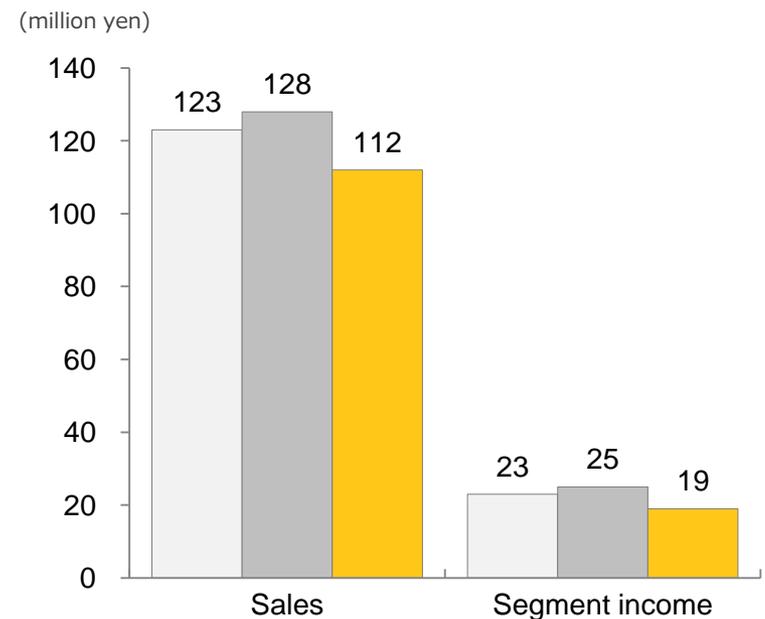
- Manufacturing engineer temporary staffing showed steady results due to aggressive recruitment of foreign engineers
- Childcare centers are favorable backed by issue of children on waiting lists for nursery schools while nursery staff is insufficient

Engineer temporary staffing



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

Childcare support services

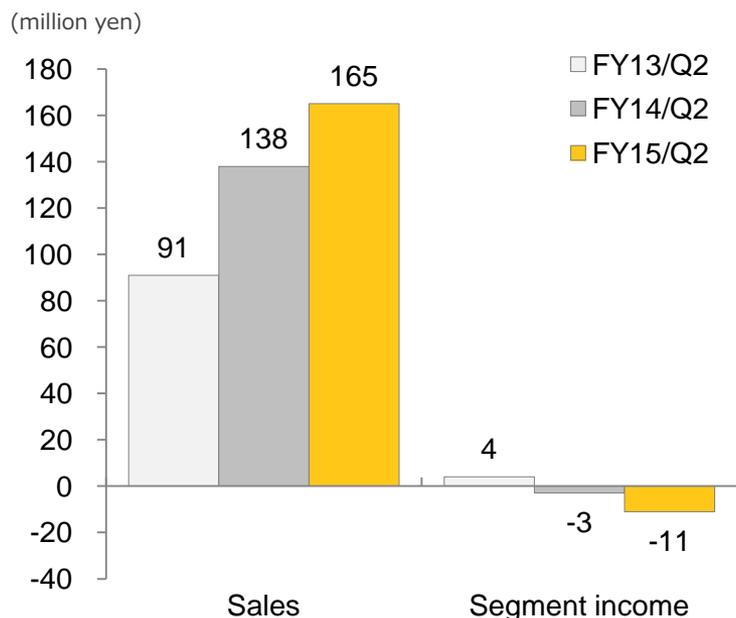


Operate 4 certified childcare centers Increase in facility users but nursery teacher temporary staffing was weak

Other Segments (2)

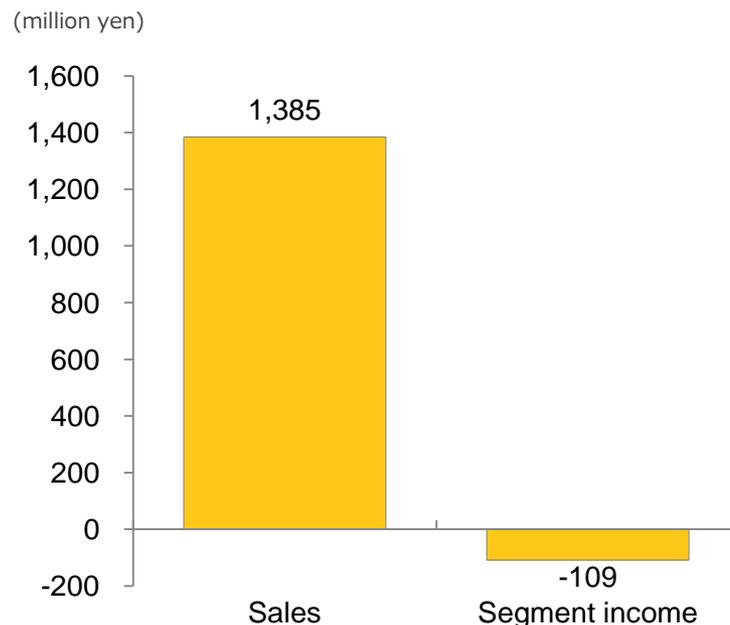
- Number of users of daycare center increased steadily → aim for further increase
- Orders for high-grade custom house showed steady results → aim for profitable in FY9/16

Nursing care business



**Operate 5 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

FY9/15

Second Half

FY9/15 Consolidated Business Forecasts

(Million yen)

	FY2015 First half actual	FY2015 Full-year forecast	Progress rate
Sales	10,955	22,500 ~ 25,500	48.7% ~ 43.0%
Net income	807	2,250 ~ 3,200	35.9% ~ 25.2%
Net income per share	12.31	34.33 ~ 48.82	35.9% ~ 25.2%

Key Initiatives

- 1. Continue recruiting
1,600 people**
- 2. Improve the
employee retention rate**
- 3. Increase the unit cost of
temporary staffing**

Strategies (1) Progress of Recruiting Activities

- Total of 350 people entered Yumeshin in April and May → started well to continue recruiting 1,600 people
- Recruiting 155 people per month since January

(Unit: Persons)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Oct.- Mar. total
FY15 Planned recruitment	305			405			710
FY15 recruitment	269			436			705
Difference	▲36			+31			▲5

	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Apr.- Sep. total	Oct.- Sep. total
FY15 Planned recruitment	455			435			890	1,600
FY15 recruitment	350		remaining 105					
Difference								

Strategies(2) Improve Retention Rate – 1

About 70% of resignations in the previous fiscal year are in the first year

Closely monitor employees during their first year

Three first-year monitoring strategies

1. Talk with individuals every week during the first month of their first assignments.
⇒ **Quickly identify problems = Reassign individuals and take other actions**
2. Provide training after three, six and 12 months
⇒ **Periodically provide the skills required for employees jobs**
3. Guarantee 100% of salaries while waiting for the next assignment
⇒ **Ensure that there are no worries about money**

Strategies(2) Improve Retention Rate – 2

After the second year

1. Use a more detailed evaluation system for engineers.
⇒ **Create a system that better reflects new skills in salaries**

2. Regular salary increases starting in the third year
⇒ **Keep up with increases in starting pay in recent years**

*Retention rate = Employees at year end / (Employees at previous year end + New hires during the year) x 100

- Retention rate was not recovered despite the increase in the number of engineers
- Continue implementing monitoring measures in the second half + increase the number of recruits to make up the shortage

Changes in retention rate

	FY2013	FY2014	FY2015
2Q	87.7%	84.7%	82.0%
Number of engineers	1,209 engineers	2,082 engineers	2,446 engineers
Full-year	73.9%	67.8%	—

※ Retention rate = Employees at year end / (Employees at previous year end + New hires during the year) x 100
 Number of engineers = as of end of March in each years

Strategies (4) Sales Activities

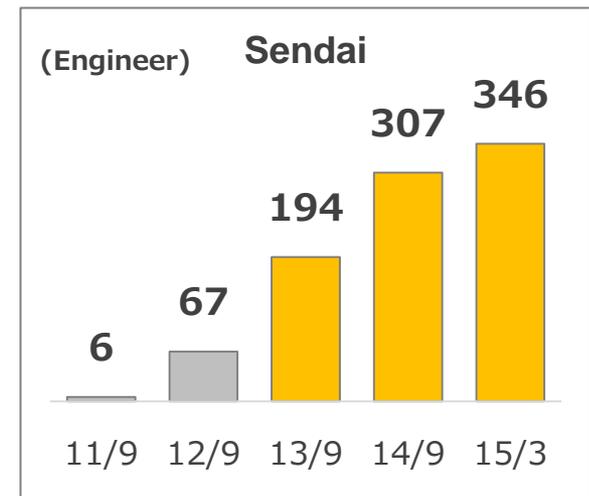
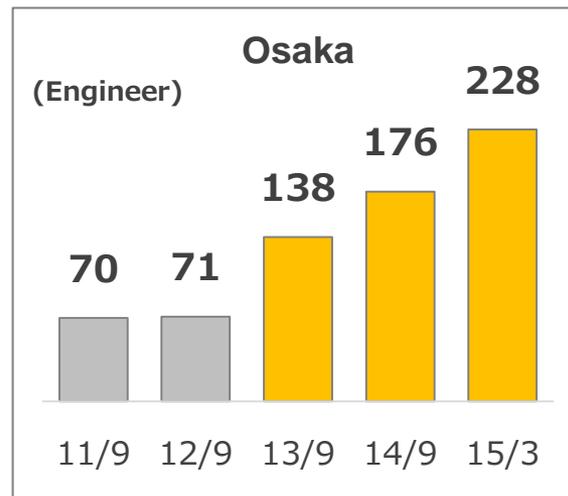
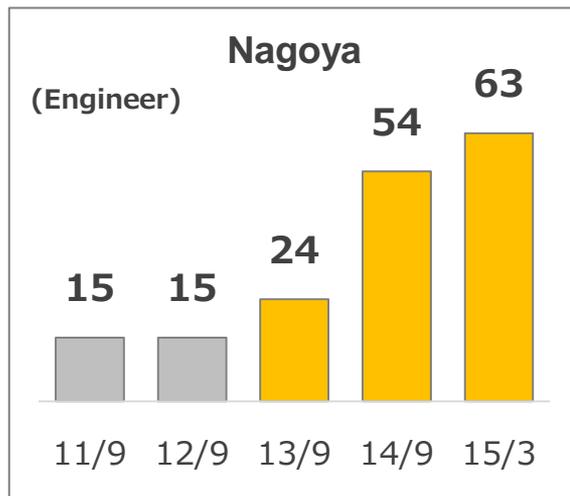
Operating environment

- Increase in the number of general contractors using workers with no experience
⇒ **Affect major general contractors, too.**
- Tokyo and Tohoku regions continue to drive growth, but the Kansai and Chubu regions are growing, too.
⇒ **Three-fold the temporary placement workforce at the Osaka and Nagoya offices**

Operating strategies

1. Continue negotiating about the lowering of unit cost of temporary staffing
2. Expand the sales channel to local offices
3. Establish Operation Support Division → improve the organizational efficiency

Changes in the number of engineers by office



Strategies (5) Recruit More Female Engineers

Characteristics of female engineer placements

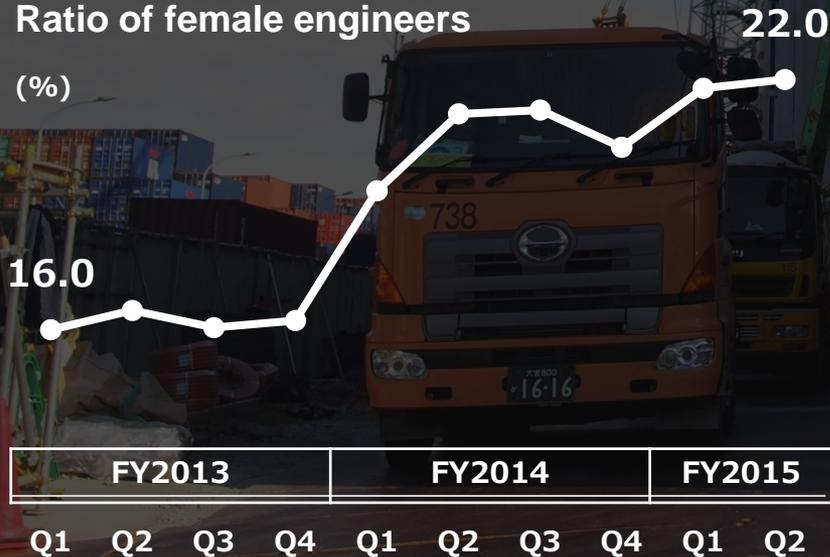
- Women are being used at building construction sites, too.
- Female CAD operators tend to have long assignments of one to two years.

Measures to recruit more female engineers

1. Train female construction management specialists.
2. Increase placement fees for CAD operators.
3. Plan to recruit 20 to 30 women every month.

Ratio of female engineers

(%)



Summary of Strategies

1. Number of staff at work

- Recruit more than 1,600 people
- Improve the retention rate by continuous monitoring measures
- Use more female engineers

2. Operating rate

- Reduce office work ⇒ Maintain high operating rate by improving operation efficiency
- Revitalize the local offices further ⇒ Expand the sales channel

3. Operating time

- At the period of renewal of contract, shift the work site to which overtime work can be expected

4. Unit cost of temporary staffing

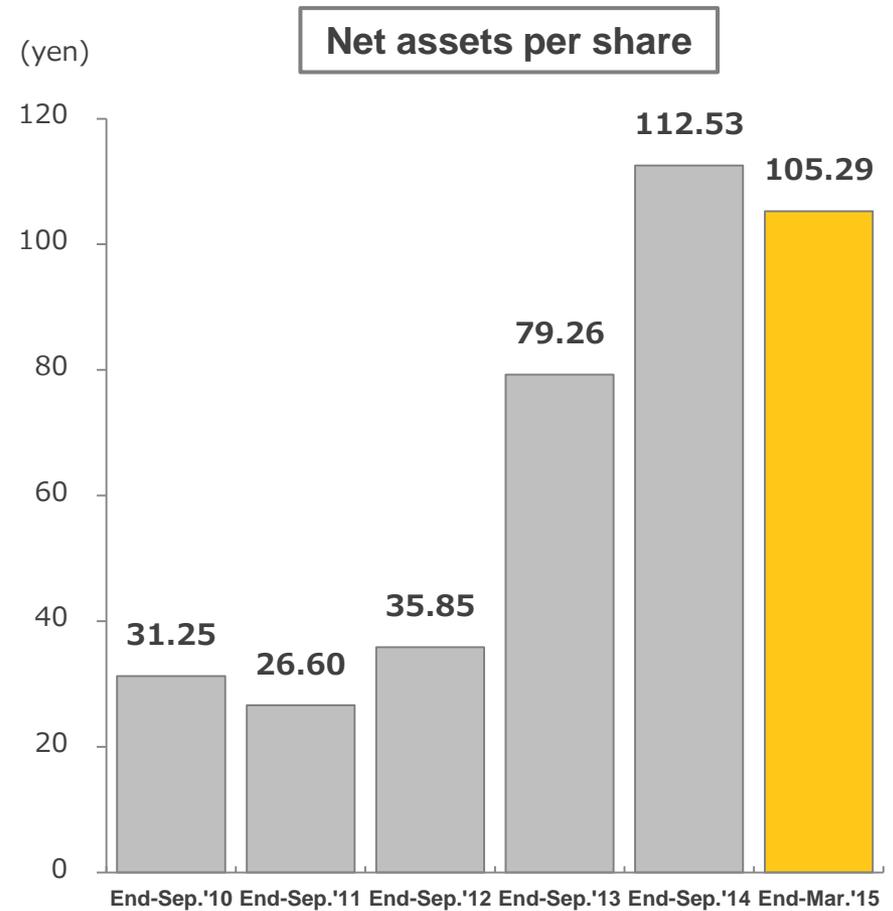
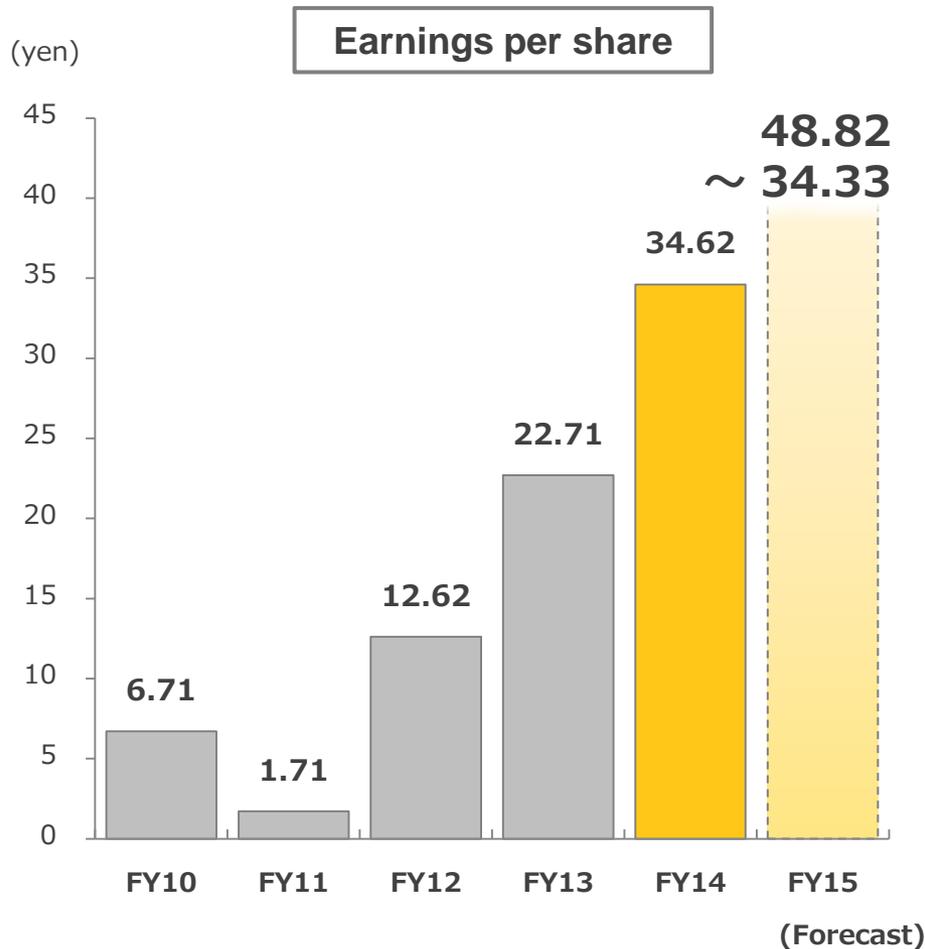
- Improve the unit cost of temporary staffing by continuous business efforts

Shareholder Return

Shareholder Return (1)

Earnings/Net Assets Per Share

■ Increase in EPS according to the business growth



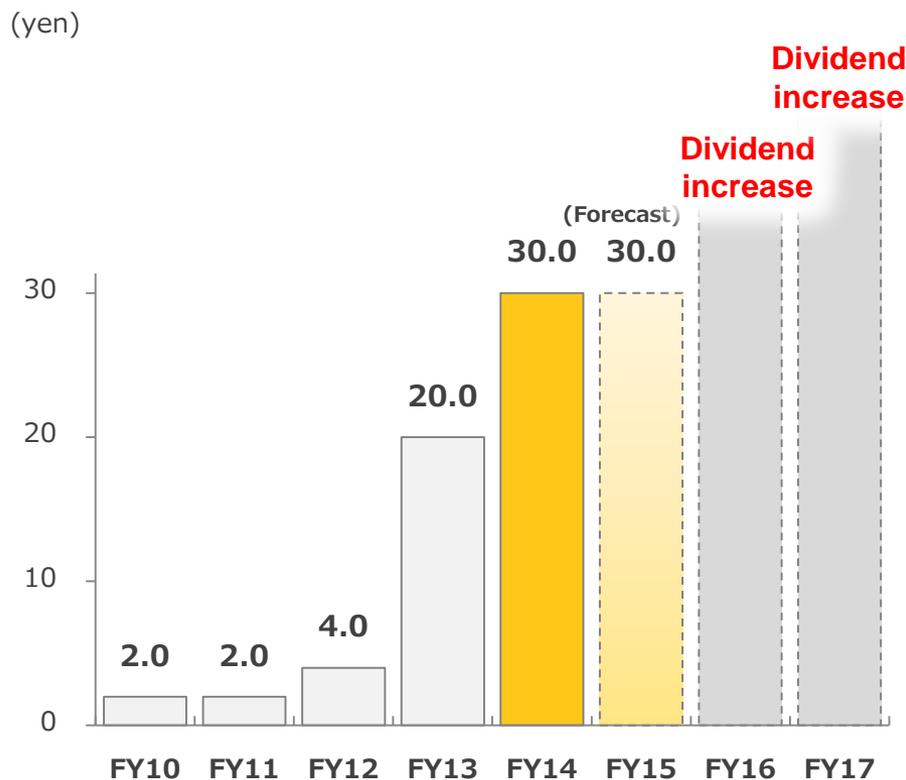
* 1. Earnings per share = Net income ÷ Average no. of shares during period × 100

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

Shareholder Return (2) Dividend Policy

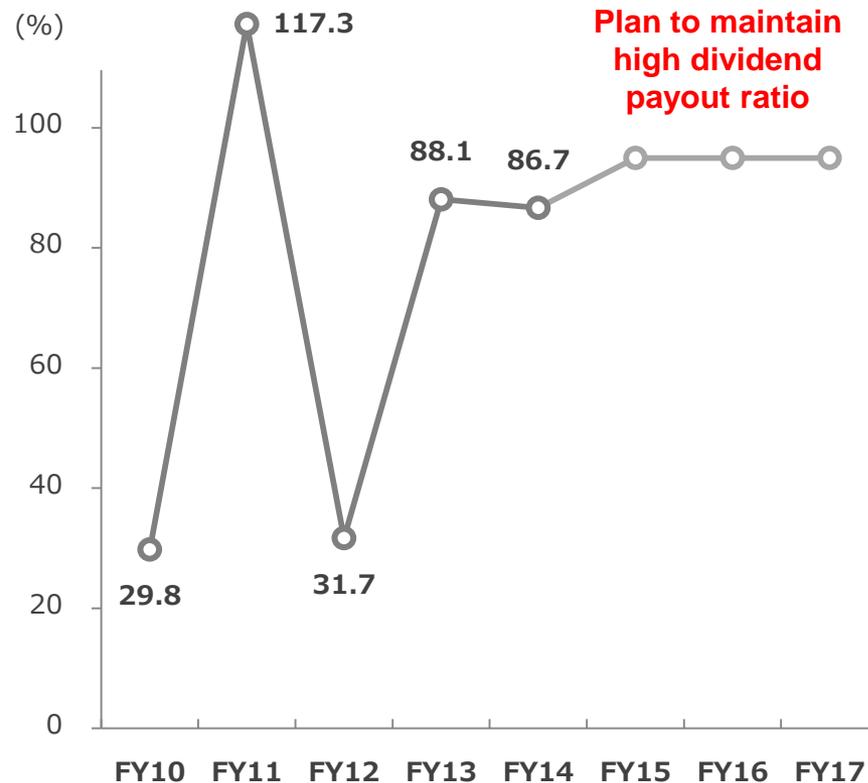
- Plan to increase dividend every year → Plan to maintain high dividend payout ratio targeting 100% during the medium term management plan.

Dividend per share



Medium-term management plan

Dividend payout ratio

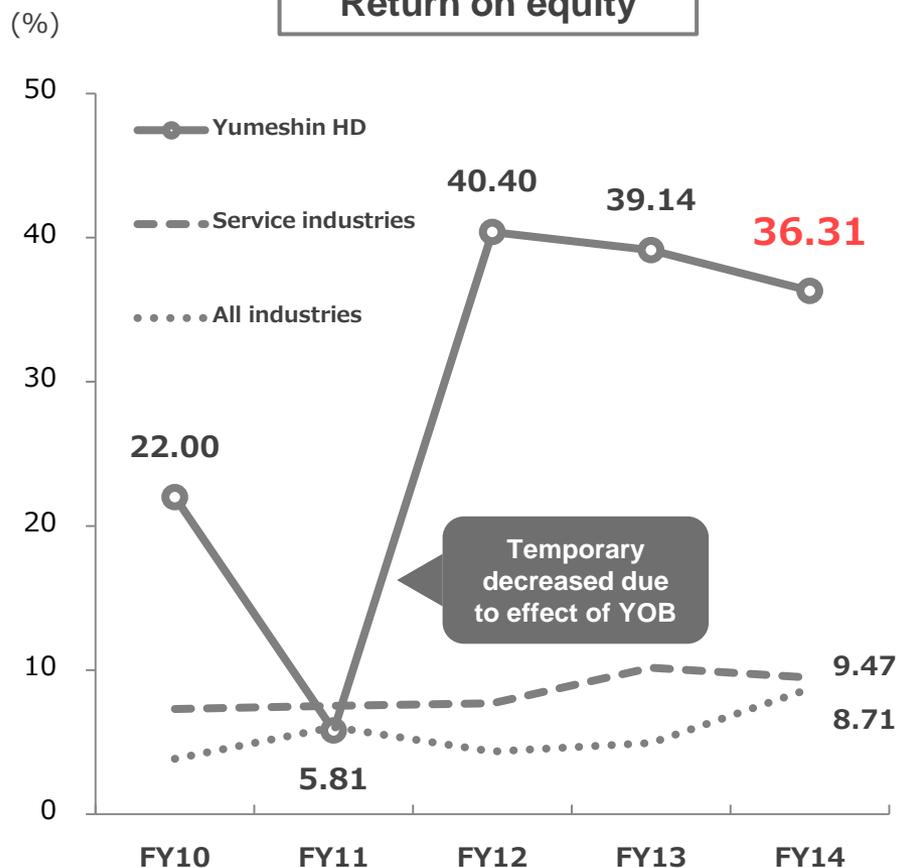


Medium-term management plan

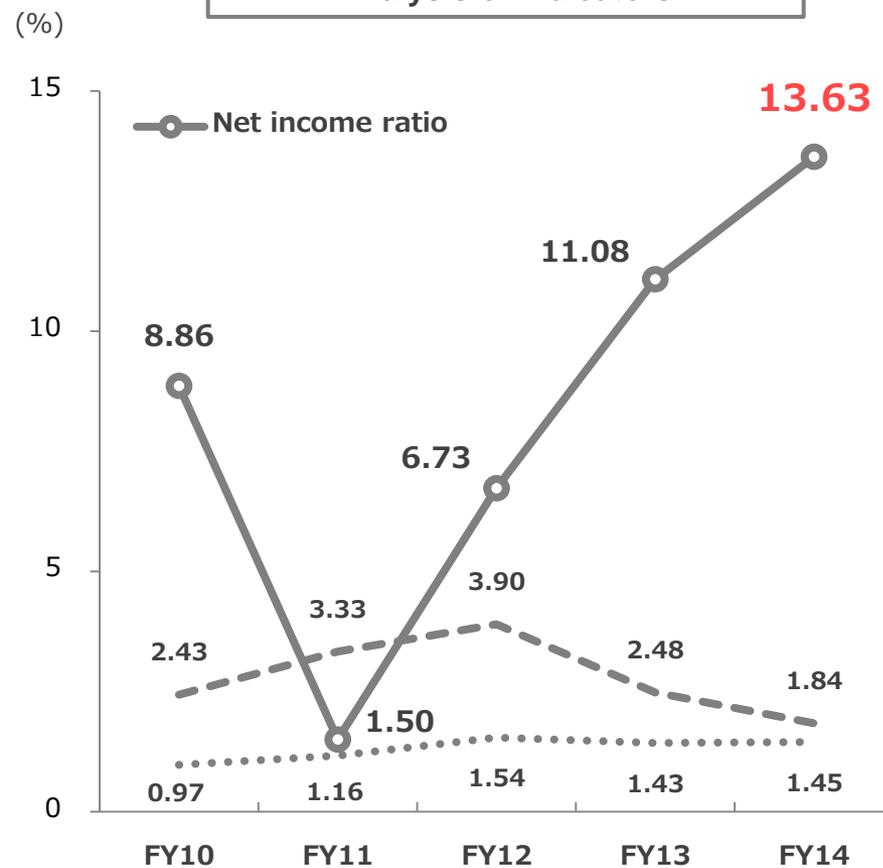
Shareholder Return (3) Return on Equity

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

Return on equity



Analysis of indicators



- * 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

Stock price

As of May 18, 2015

PER	22.5x
PBR	7.3x
Dividend yield	3.89%
ROE (FY2014 actual)	36.3%
Stock price	771 yen
EPS (Forecast of range limit)	34.33 yen
BPS (End-Mar. 2015 actual)	105.29 yen
Dividend per share (Forecast)	30.0 yen

[Reference]

1. Dividend yield = 27th rank of all listed companies, 15th rank of JASDAQ
2. Average of PER in the service industry = 25.8x (TSE1 stocks, as of end-April. 2015)

Source : Website of Japan Exchange Group

Reference

Reference

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)

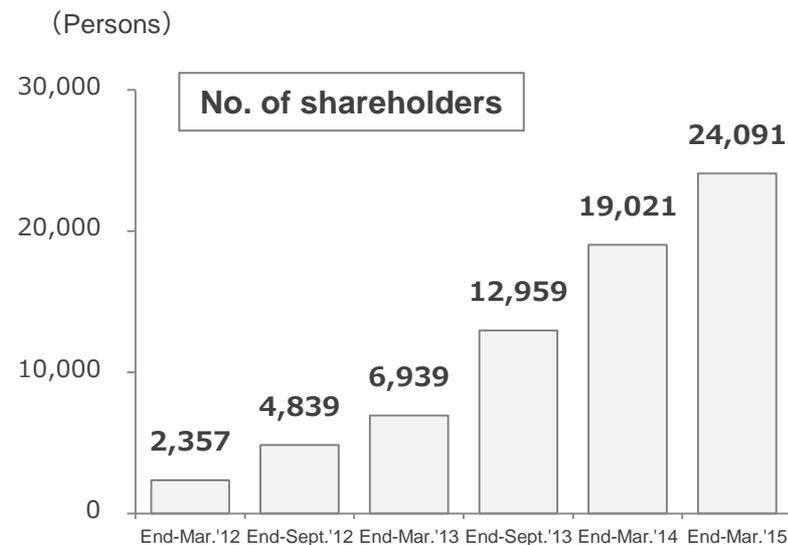
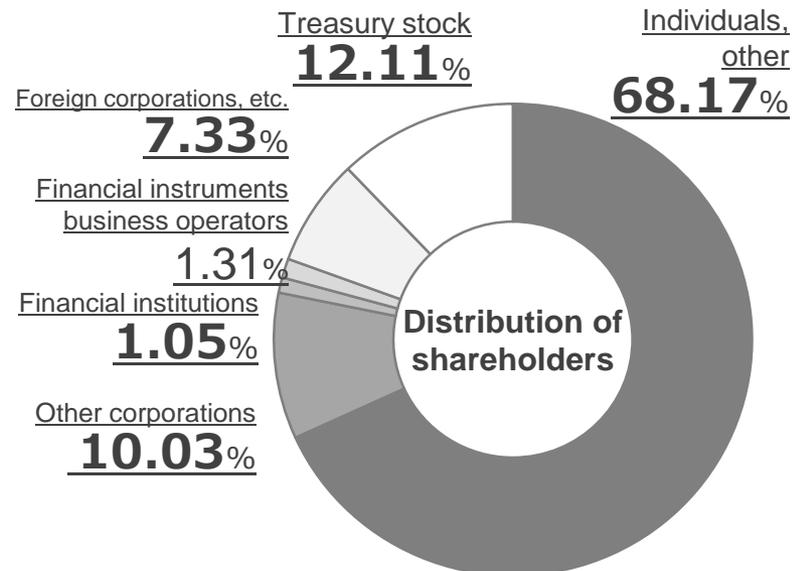
	FY2013 (Actual)	FY2014 (Actual)	FY2015	FY2016	FY2017
Sales	12,537	16,482	25,500 ~22,500	33,000	39,500
Ordinary income	1,771	2,951	—	7,800	10,000
Ordinary income margin	14.1%	17.9%	—	23.6%	25.3%
Net income	1,388	2,246	3,200 ~2,250	4,700	6,000
No. of recruits	1,233人	1,628人	1,600人	1,600人	1,600人

* Above figures are consolidated basis.

Reference (2) Shareholders Situation

As of March, 2015

	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	Japan Trustee Services Bank, Ltd.	639	0.86
6	STATE STREET BANK AND TRUST COMPANY	616	0.83
7	THE BANK OF NEW YORK	592	0.79
8	崎山 昭仁	556	0.75
9	崎山 佳香	535	0.72
10	CHASE MANHATTAN BANK	509	0.68
Total of top 10 largest shareholders		38,276	51.33



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

Disclaimer

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JASDAQ

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