



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

# Financial Results for the Fiscal Year Ended **September** 2015

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## November 11, 2015

September.2015  
Securities code  
**2362**

November 11, 2015

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# Consolidated Financial Overview

# TOPIC ①

## 1. Sales up 28%

Double digit increase for 5 consecutive years

## 2. Operating income down 7%

Deterioration of earnings of non-core businesses

## 3. Ordinary income and net income down

due to posting of non-operating income and extraordinary income in the previous FY

## TOPIC ②

### 1. Sold the non-core businesses

Specialized in high value-added human resource business

### 2. Disposed treasury stock

¥6.5 billion of fund-raising

### 3. Established Yume Agent

Started staff agency business including utilization of human resources from ASEAN countries

# Reorganization of Business Portfolio

**Business diversification,  
Stable profitability from stock  
business  
[Risk-distributed]**

## **1. Construction technician temporary staffing**

### **Building technology support**

- Temporary staffing of construction management specialist
- Temporary staffing of CAD operators

**Outsourced production of constructing drawings**

## **2. Engineer temporary staffing**

Temporary staffing of engineers for manufacturing industry  
Temporary staffing of system engineers

## **3. Childcare support**

Operation of childcare center  
Temporary staffing of childcare worker

## **4. Nursing care**

Operation of day-service facility

## **5. Comprehensive construction**

Construction of high-grade custom house

**Focus on own field and strengths,  
Specialized in high added-value human  
resource business  
[Highly profitable]**

## **1. Construction technician temporary staffing**

### **Building technology support**

- Temporary staffing of construction management specialist
- Temporary staffing of CAD operators

**Outsourced production of constructing drawings**

## **2. Engineer temporary staffing**

Temporary staffing of engineers for manufacturing industry  
Temporary staffing of system engineers

## **3. Staff agency (Started from June 2015)**

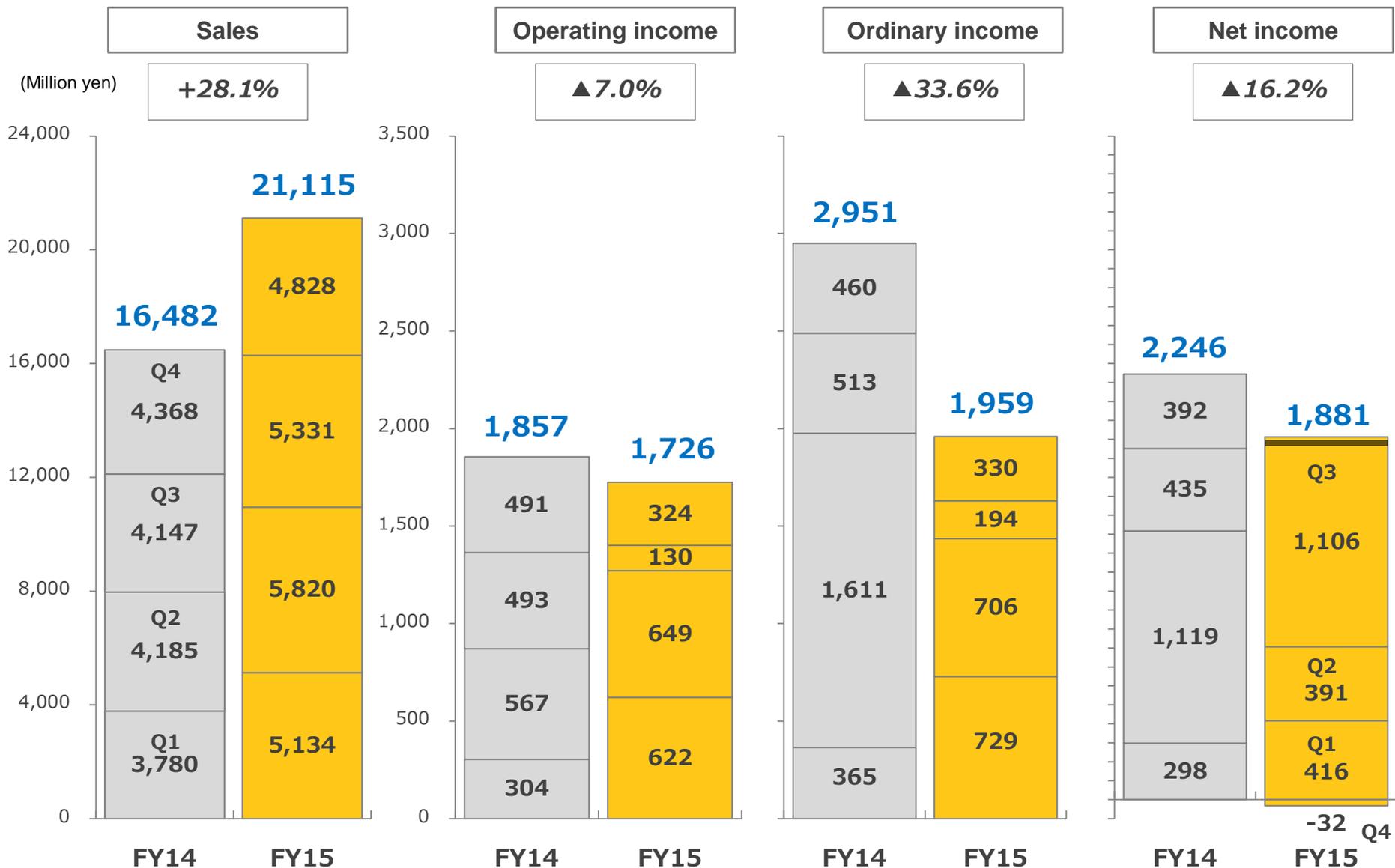
### **Staff agency**

Utilization and support of foreign engineers

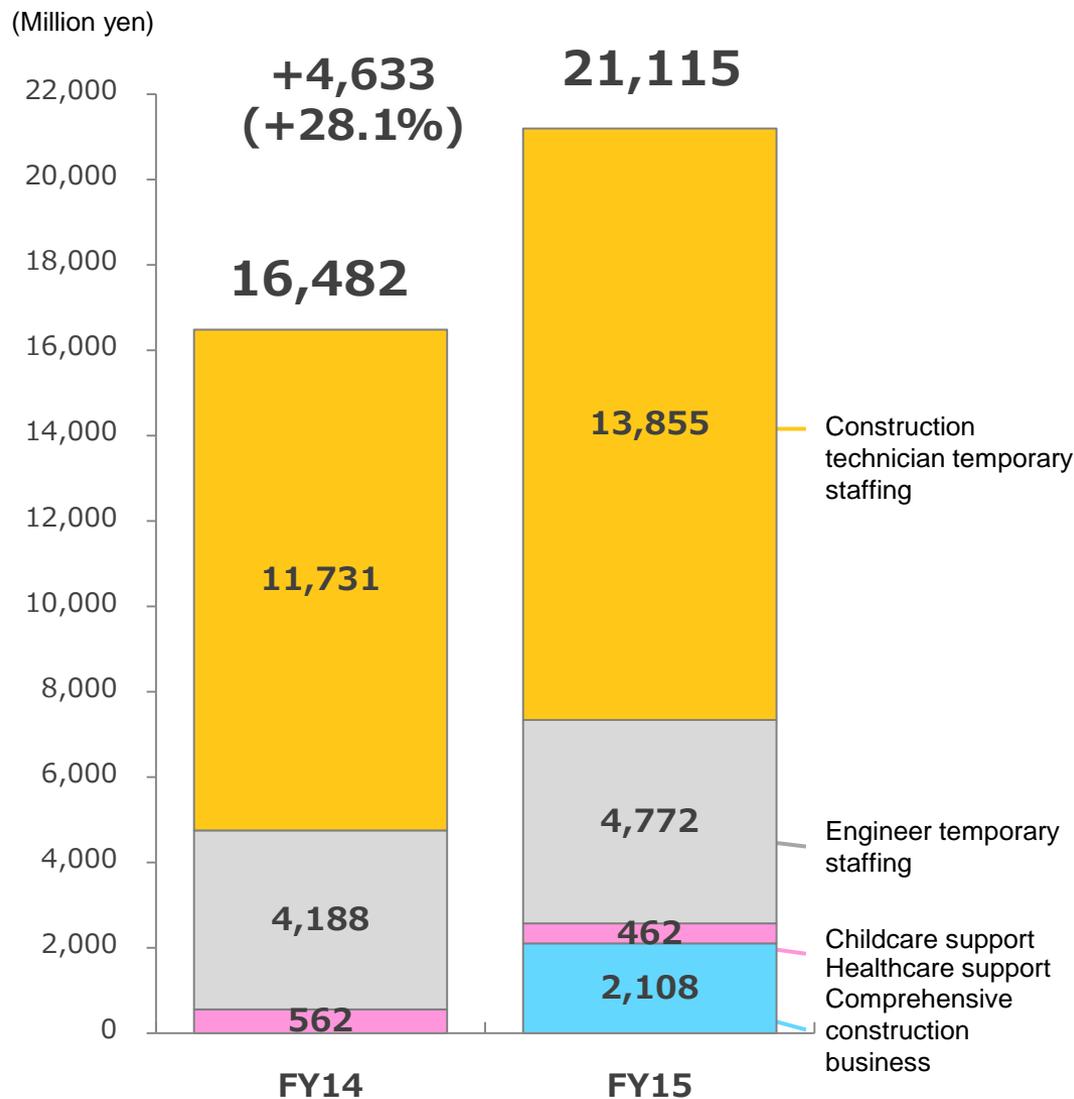
\*From the fourth quarter of FY9/15

## Consolidated P/L Statement

# Consolidated P/L



# Consolidated P/L (1) Sales



## 【Major factors for increase/decrease】

**Construction technician temporary staffing** +¥2,124m (+18.1%)

- Sales up due to increase in staff at work

**Engineer temporary staffing** +¥583m (+13.9%)

- Sales up due to increase in staff at work

**Childcare support  
Healthcare support** ▲¥99m (▲17.7%)

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

**Comprehensive construction** +¥2,108m

- Construction of high-grade custom house

\*1. The comprehensive construction business is included in the consolidated financial statements starting with the fiscal year ended September 2015.

\*2. Due to the sale of stock associated with the childcare support and nursing care business and the comprehensive construction business, these businesses are included in the consolidated financial statements only in the first three quarters of the fiscal year ended September 2015.

\*3. In addition to these two items, includes ¥200 million for the staff agency service.

\*4. Business segment information is provided starting on page 27.

# Consolidated P/L (2)

## Selling, General and Administrative Expenses

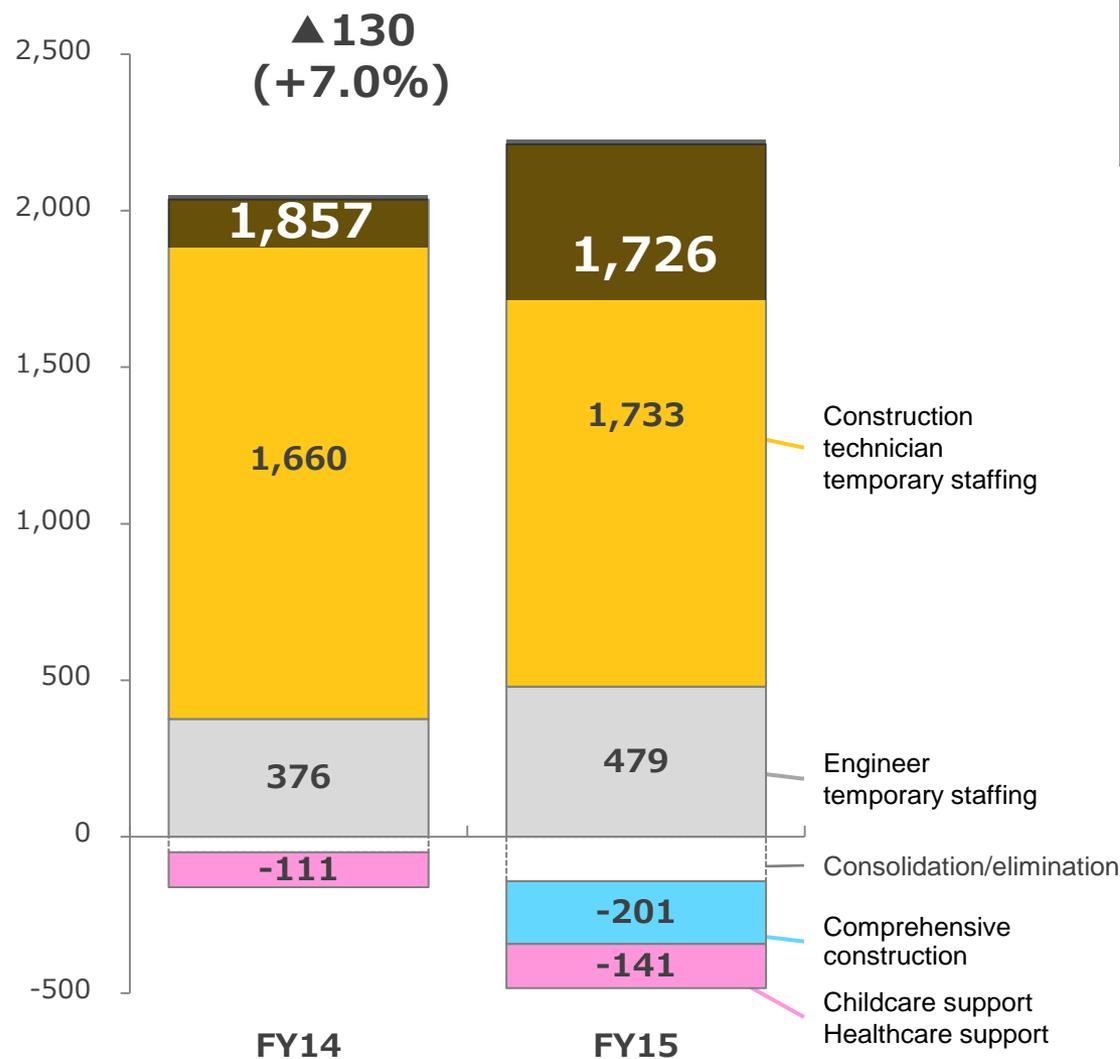
(million yen)

	FY2014	FY2015	Change	Remarks
Cost of sales	11,899	15,965	+4,066	<ul style="list-style-type: none"> <li>· Increased due to increase in engineers</li> <li>· Increased due to consolidation of Iwamotogumi (+¥2.1 billion)</li> </ul>
Cost of sales ratio	72.2%	75.6%	+3.4pt.	
Gross profit	4,582	5,149	+567	
Gross profit	27.8%	24.4%	▲ 3.4pt.	
SG&A expenses	2,725	3,422	+697	
Executive compensation	112	124	+11	· Increased due to an increase of director
Personnel expenses	1,409	1,644	+234	<ul style="list-style-type: none"> <li>· Increased due to increase in staff of administrative Dept.</li> <li>· Increased due to consolidation of Iwamotogumi (+¥88 million)</li> </ul>
Ad expenses	95	43	▲ 52	
Recruiting cost	400	590	+190	· Increase in advertising cost
Rent	160	323	+163	<ul style="list-style-type: none"> <li>· Increased due to transfer of headquarter</li> <li>· Increased due to consolidation of Iwamotogumi (+¥2.1 million)</li> </ul>
Provision of allowance for doubtful accounts	151	188	+37	
Amortization of goodwill	76	106	+30	
SG&A expenses ratio	16.5%	16.2%	▲ 0.3pt.	

※ 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 **+¥72m** (+4.4%)

• Income up due to Improvement in operating rate

Engineer temporary staffing **+¥103m** (+27.4%)

• Income up due to increase in staff at work

Childcare support Healthcare support **▲¥29m** (▲26.8%)

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

Comprehensive construction **▲¥201m**

• Construction of high-grade custom house

\*1. The comprehensive construction business is included in the consolidated financial statements starting with the fiscal year ended September 2015.

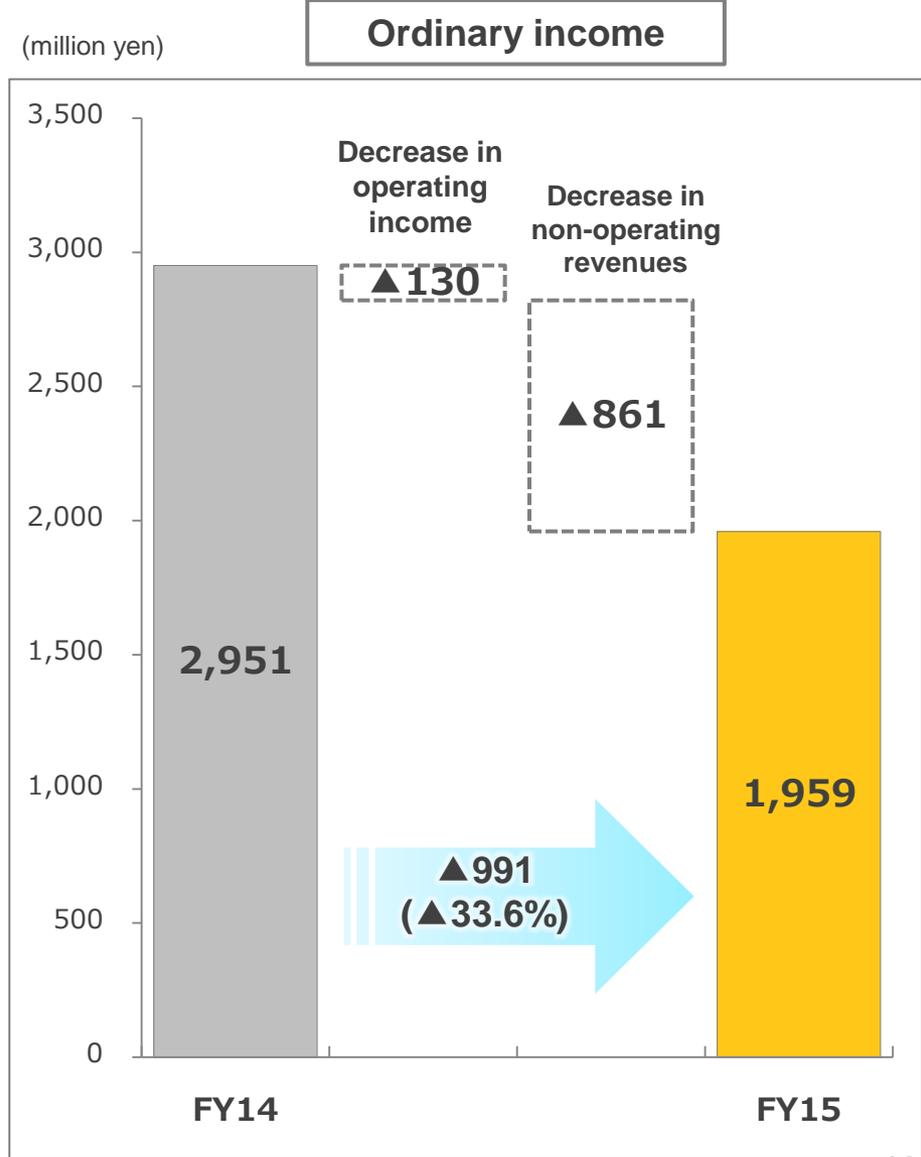
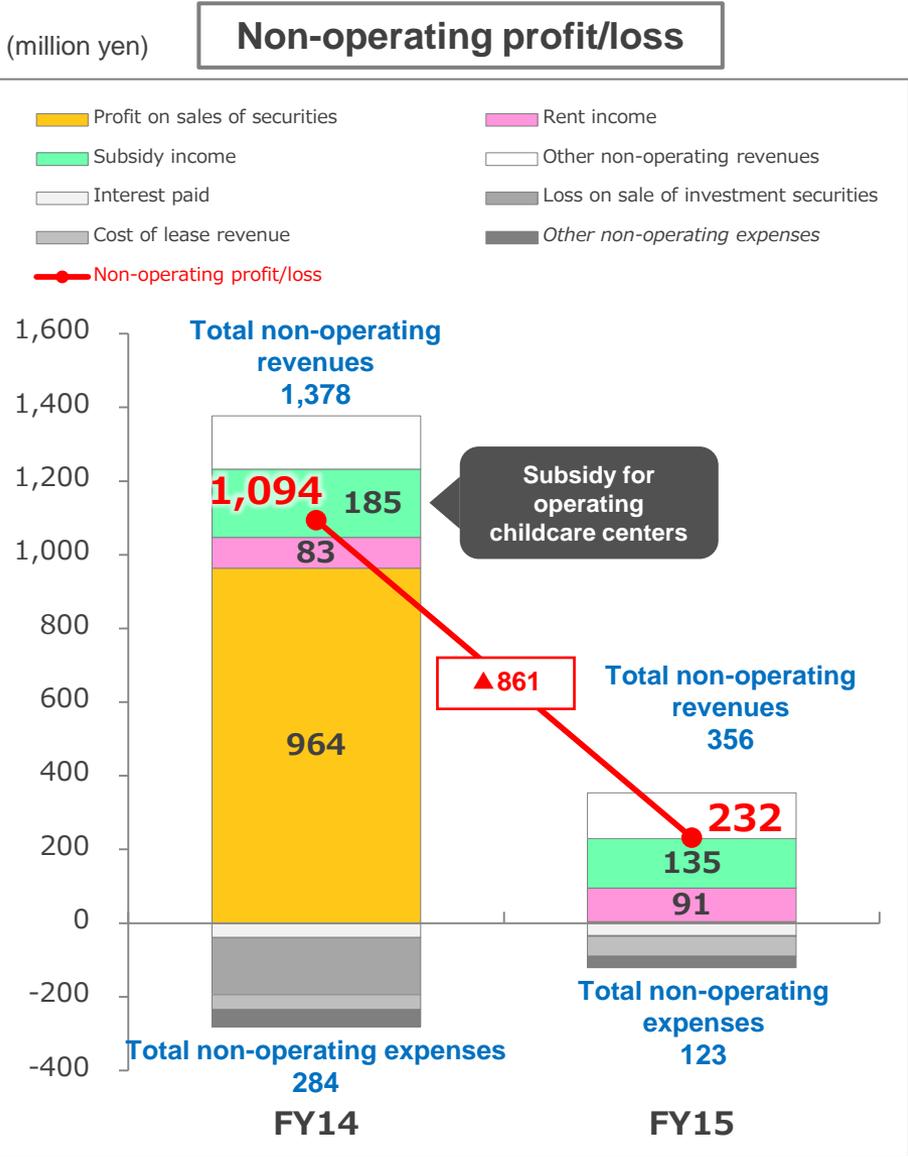
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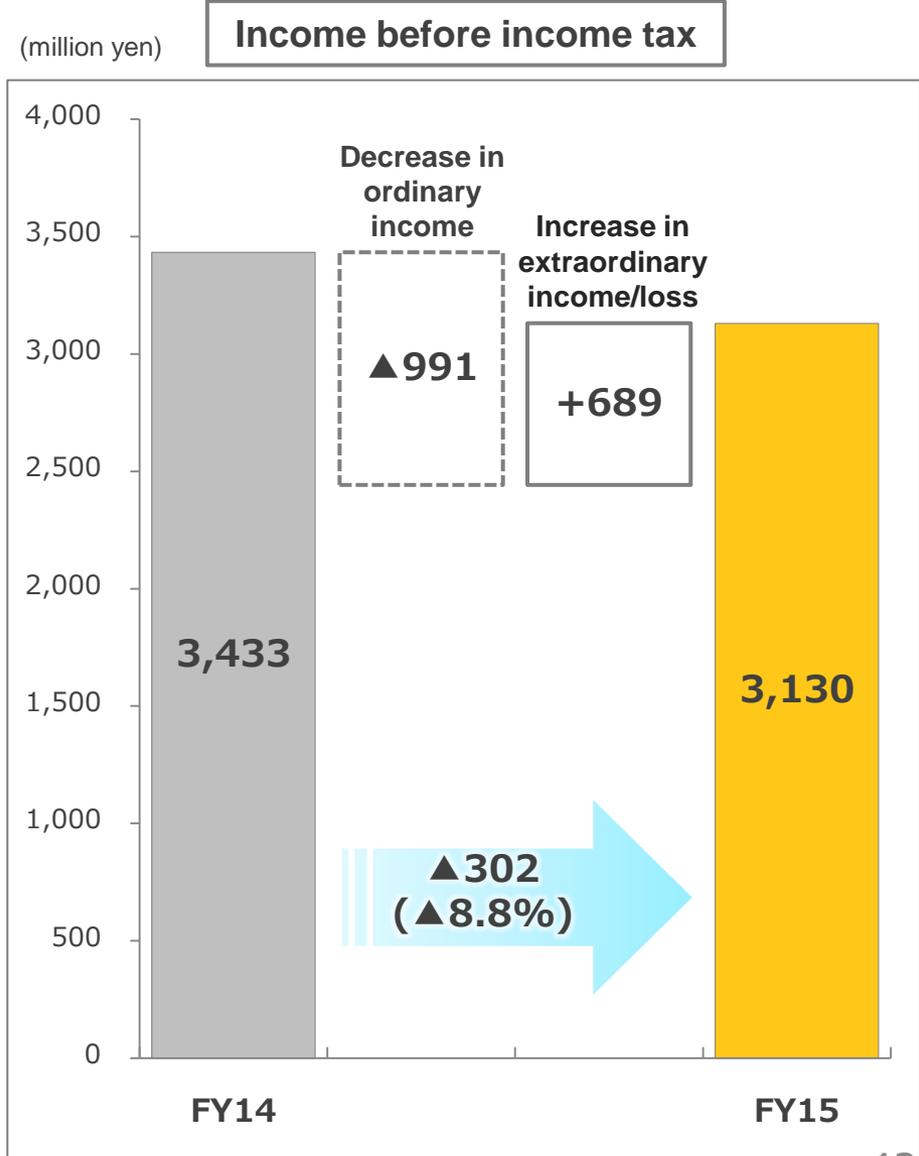
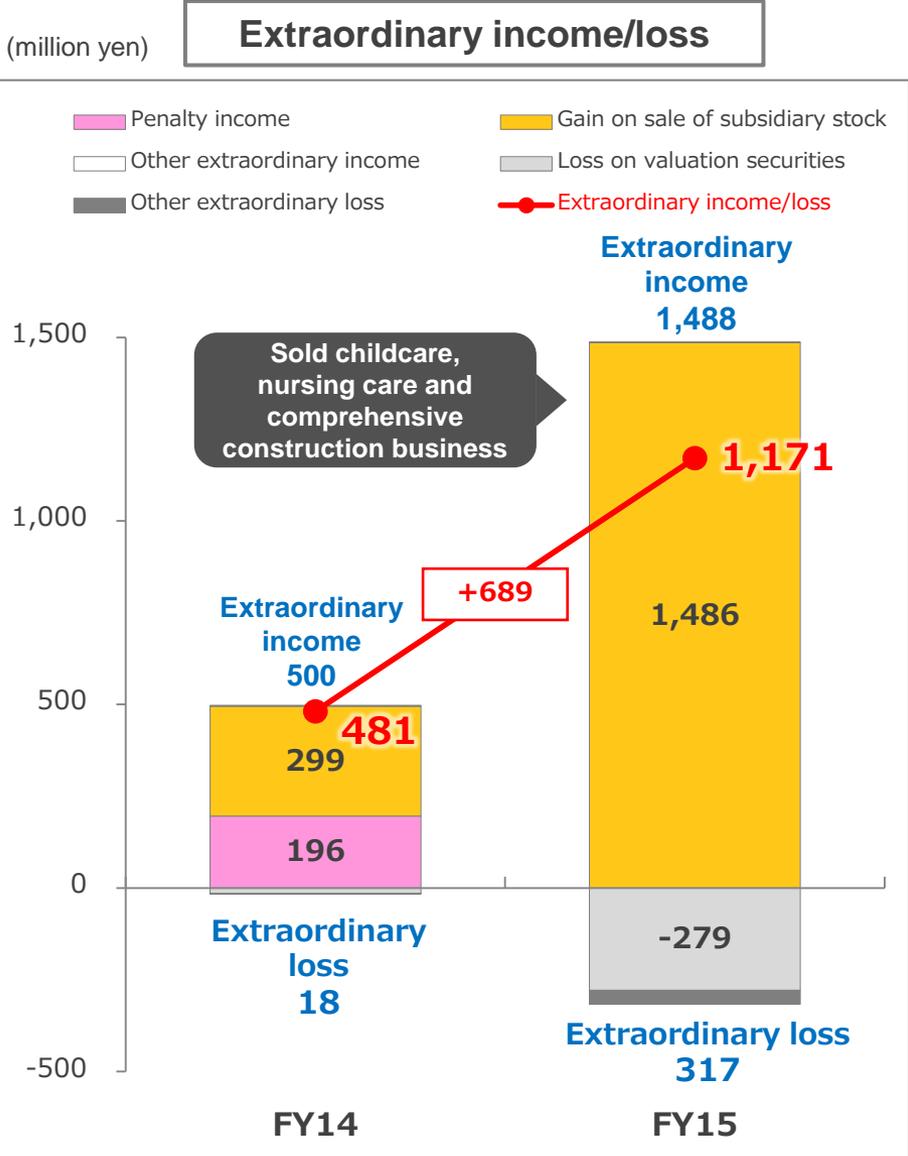
# Consolidated P/L (4)

## Non-operating Profit/Loss and Ordinary Income

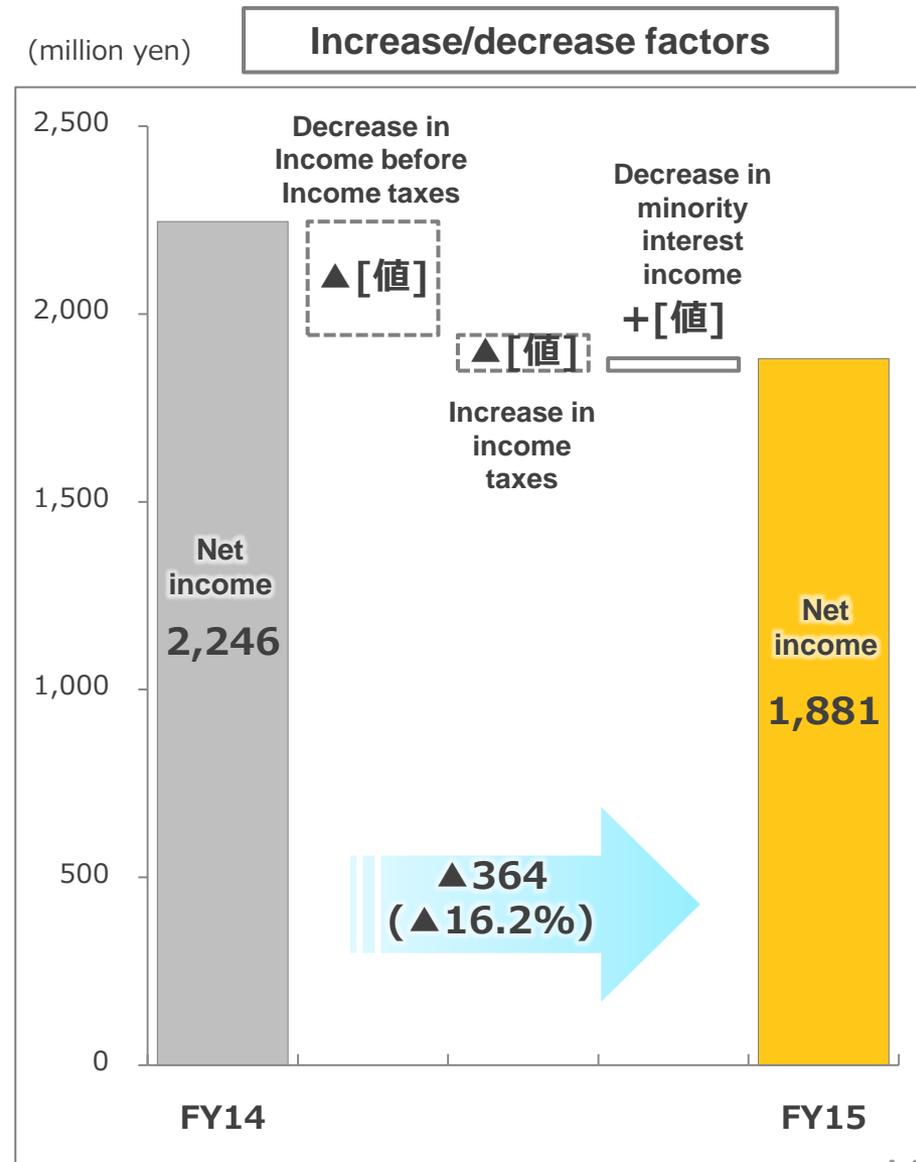
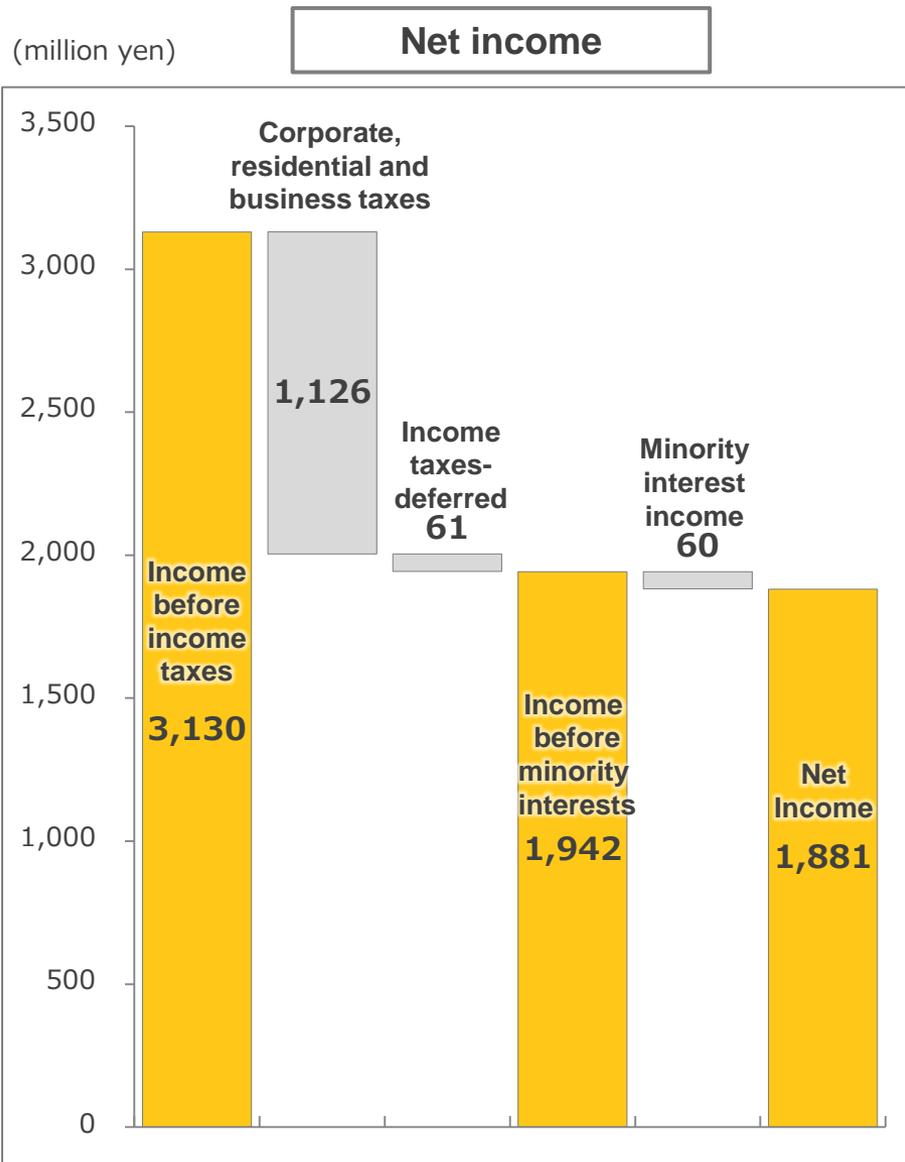


# Consolidated P/L (5)

## Extraordinary Income/Loss and Income Before Income Tax



# Consolidated P/L (6) Net Income



# Summary of Consolidated P/L Statement

(million yen)

	FY2014	FY2015	Change	Pct. change
<b>Sales</b>	<b>16,482</b>	<b>21,115</b>	<b>+4,633</b>	<b>28.1%</b>
<i>Gross profit</i>	<b>4,582</b> (27.8%)	<b>5,149</b> (24.4%)	<b>+567</b>	<b>12.4%</b>
<i>SG&amp;A expenses</i>	<b>2,725</b> (16.5%)	<b>3,422</b> (16.2%)	<b>+697</b>	<b>25.6%</b>
<b>Operating income</b>	<b>1,857</b> (11.3%)	<b>1,726</b> (8.2%)	<b>▲130</b>	<b>▲7.0%</b>
<b>Ordinary income</b>	<b>2,951</b> (17.9%)	<b>1,959</b> (9.3%)	<b>▲991</b>	<b>▲33.6%</b>
<b>Net income</b>	<b>2,246</b> (13.6%)	<b>1,881</b> (8.9%)	<b>▲364</b>	<b>▲16.2%</b>

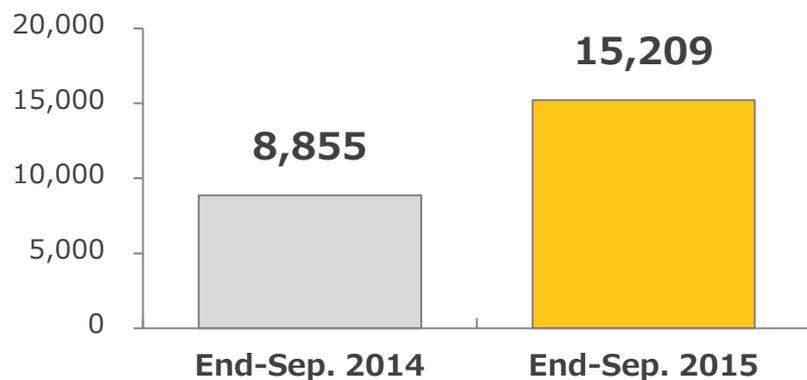
\* ( ) = Ratio to sales

## Consolidated B/S

# Consolidated B/S

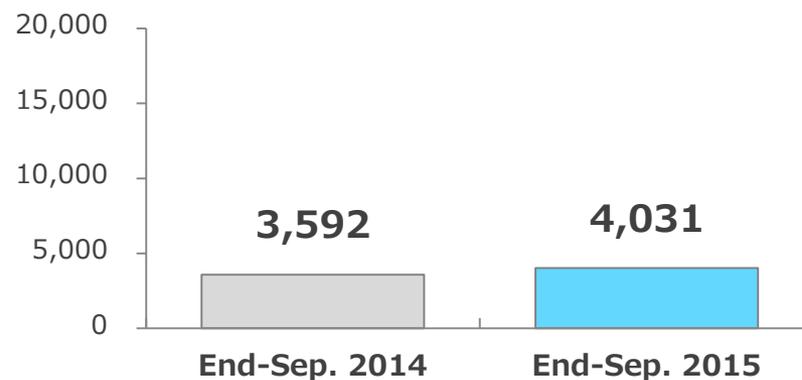
## Current assets

(million yen)



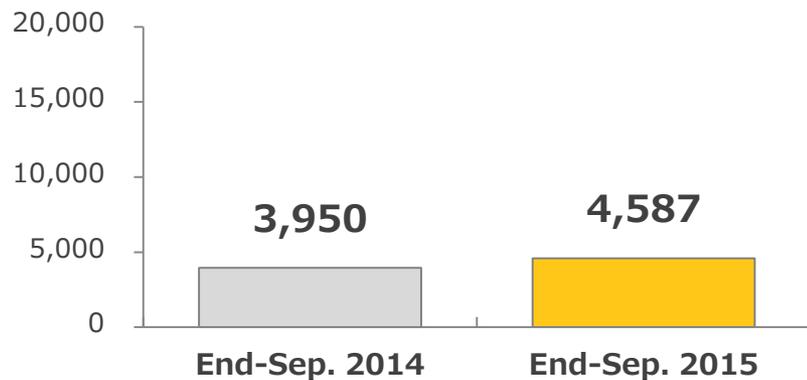
## Current liabilities

(million yen)



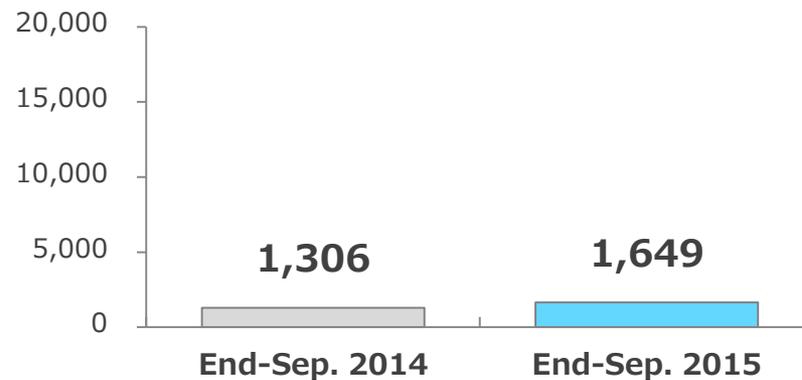
## Fixed assets

(million yen)



## Fixed liabilities

(million yen)



# Consolidated B/S (1) Assets

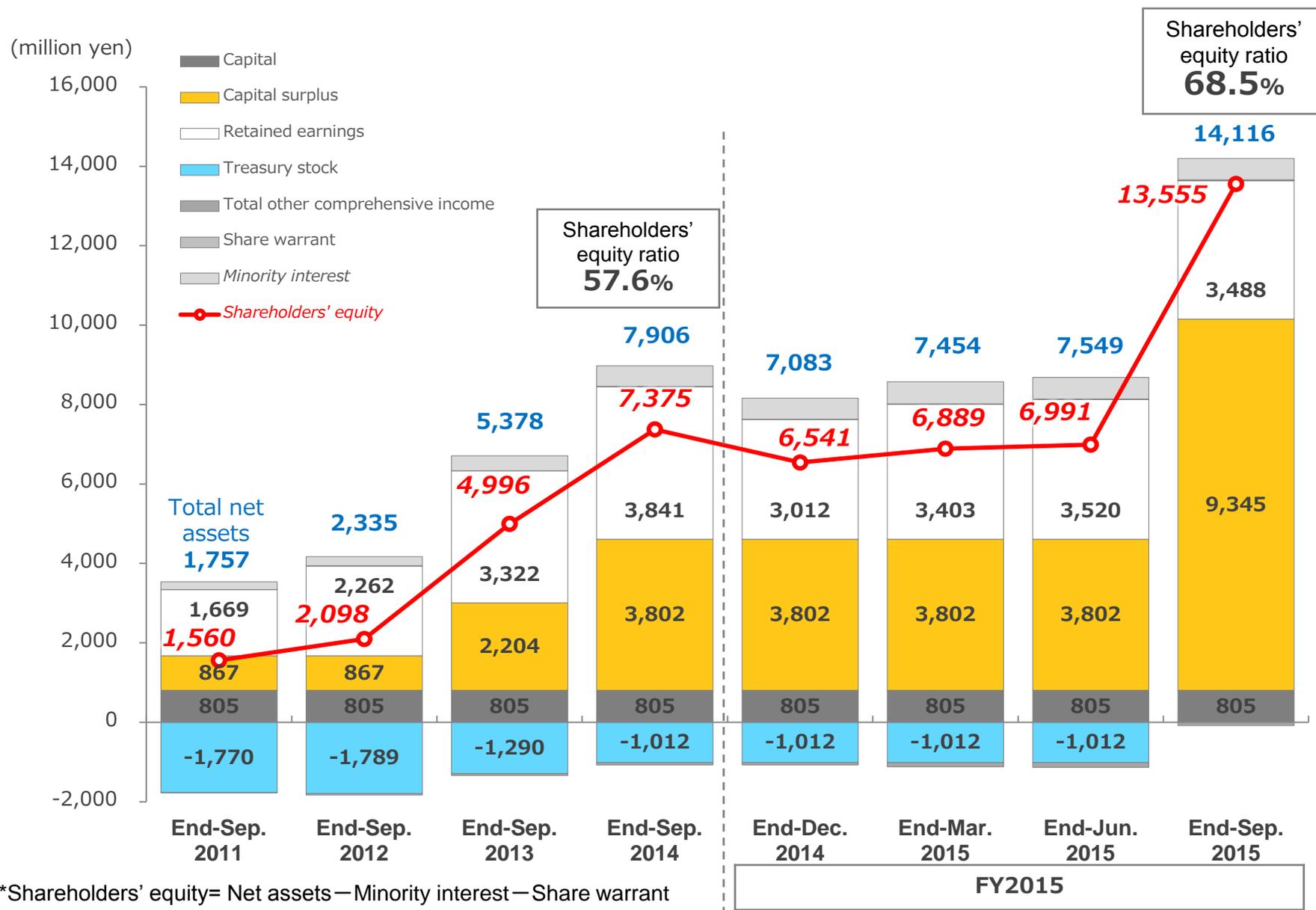
(million yen)

	End-Sep. 2014	End-Sep. 2015	Change	Remarks
<b>Assets</b>	<b>12,806</b>	<b>19,797</b>	<b>+6,991</b>	
<b>Current assets</b>	<b>8,855</b>	<b>15,209</b>	<b>+6,354</b>	
Cash and deposits	5,755	11,460	+5,705	<i>Increased due to disposition of treasury stock</i>
Notes and accounts receivable-trade	2,523	2,747	+223	<i>Increased due to increase in customers</i>
Deferred tax assets	257	185	▲72	
Allowance for doubtful accounts	▲31	▲21	+9	
<b>Fixed assets</b>	<b>3,950</b>	<b>4,587</b>	<b>+637</b>	
<b>Tangible fixed assets</b>	<b>810</b>	<b>940</b>	<b>+129</b>	
Buildings and structures	468	461	▲7	
Machinery, delivery equipment	11	6	▲4	
Land	277	408	+130	
Lease asset	37	37	▲0	
<b>Intangible fixed assets</b>	<b>415</b>	<b>348</b>	<b>▲67</b>	
Goodwill	390	309	▲81	
Lease asset	6	4	▲2	
<b>Investments and other assets</b>	<b>2,723</b>	<b>3,299</b>	<b>+575</b>	
Investment securities	1,071	1,771	+699	<i>Increased due to investment</i>
Long-term debt	80	21	▲58	
Deferred tax assets	10	23	+13	
<b>Investment properties</b>	<b>1,135</b>	<b>1,118</b>	<b>▲17</b>	
<b>Lease deposit</b>	<b>391</b>	<b>336</b>	<b>▲54</b>	
Allowance for doubtful accounts	▲46	▲52	▲5	

# Consolidated B/S (2) Liabilities and Net Assets (million yen)

	End-Sep. 2014	End-Sep. 2015	Change	Remarks
<b>Liabilities</b>	<b>4,899</b>	<b>5,680</b>	<b>+781</b>	
Current liabilities	<b>3,592</b>	<b>4,031</b>	<b>+438</b>	
Account payable-trade	<b>11</b>	<b>8</b>	<b>▲3</b>	
Short-term debt	<b>100</b>	<b>100</b>	<b>▲0</b>	
Current portion of long-term debt	<b>756</b>	<b>1,005</b>	<b>+249</b>	
Accrued expenses	<b>799</b>	<b>1,068</b>	<b>+269</b>	
Income taxes payable	<b>879</b>	<b>652</b>	<b>▲227</b>	<i>Decreased due to payment of corporate taxes</i>
Advances received	<b>26</b>	<b>41</b>	<b>+15</b>	
Reserve for bonuses	<b>239</b>	<b>299</b>	<b>+59</b>	
Fixed liabilities	<b>1,306</b>	<b>1,649</b>	<b>+342</b>	
Long-term debt	<b>892</b>	<b>1,218</b>	<b>+326</b>	<i>Increased due to borrowing of working capital</i>
Lease obligations	<b>28</b>	<b>31</b>	<b>+2</b>	
Loss on retirement benefit	<b>287</b>	<b>231</b>	<b>▲55</b>	
<b>Net assets</b>	<b>7,906</b>	<b>14,116</b>	<b>+6,210</b>	
Shareholders' equity	<b>7,436</b>	<b>13,638</b>	<b>+6,202</b>	
Capital	<b>805</b>	<b>805</b>	<b>0</b>	
Capital surplus	<b>3,802</b>	<b>9,345</b>	<b>+5,542</b>	<i>Increased due to disposition of treasury stock</i>
Retained earnings	<b>3,841</b>	<b>3,488</b>	<b>▲353</b>	<i>Net income – Year-end dividend for FY14 – Interim dividend for FY15</i>
Treasury stock	<b>▲1,012</b>	<b>▲0</b>	<b>+1,012</b>	<i>Increased due to disposition through overseas secondary offering</i>
Accumulated other comprehensive income	<b>▲60</b>	<b>▲83</b>	<b>▲22</b>	
Valuation difference on available-for-sale	<b>▲59</b>	<b>▲73</b>	<b>▲14</b>	
Share warrant	<b>12</b>	<b>19</b>	<b>+6</b>	
Minority interest	<b>518</b>	<b>542</b>	<b>+23</b>	<b>19</b>

# Consolidated B/S (3) Shareholders' Equity



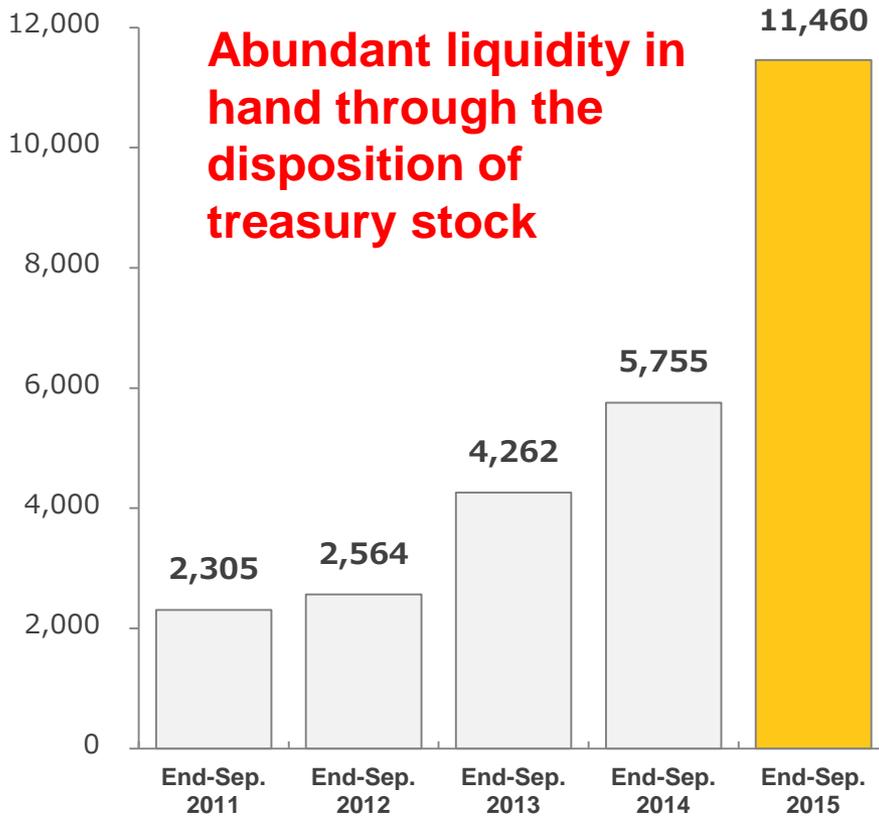
## Financial Index

# Financial Index (1)

## Liquidity in Hand and Shareholders' Equity

Liquidity in hand

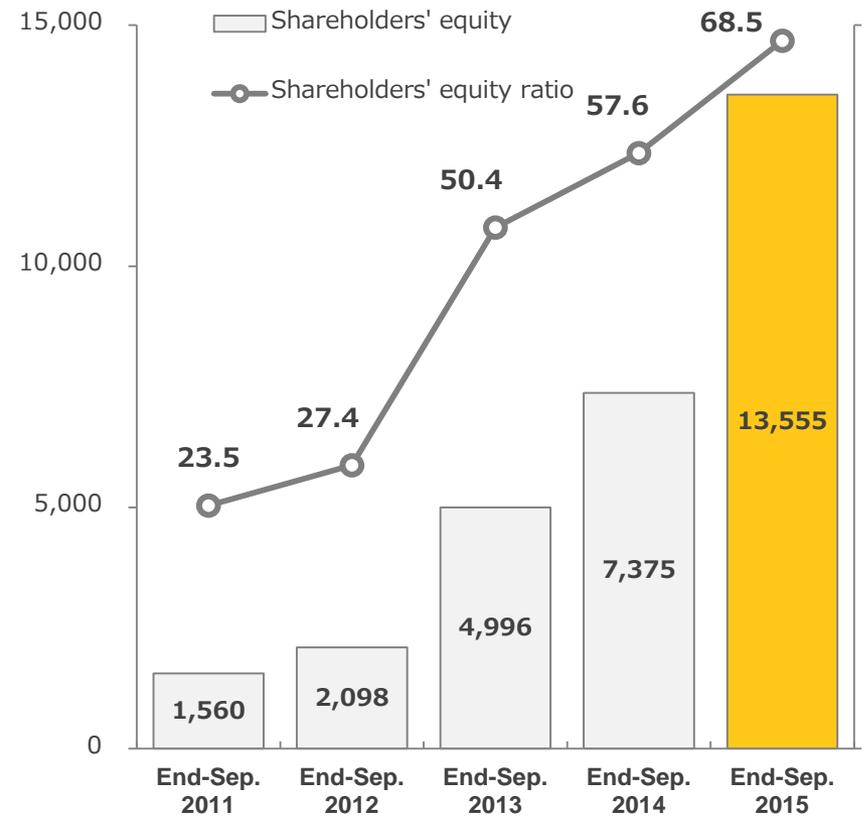
(million yen)



Shareholders' equity ratio

(million yen)

(%)



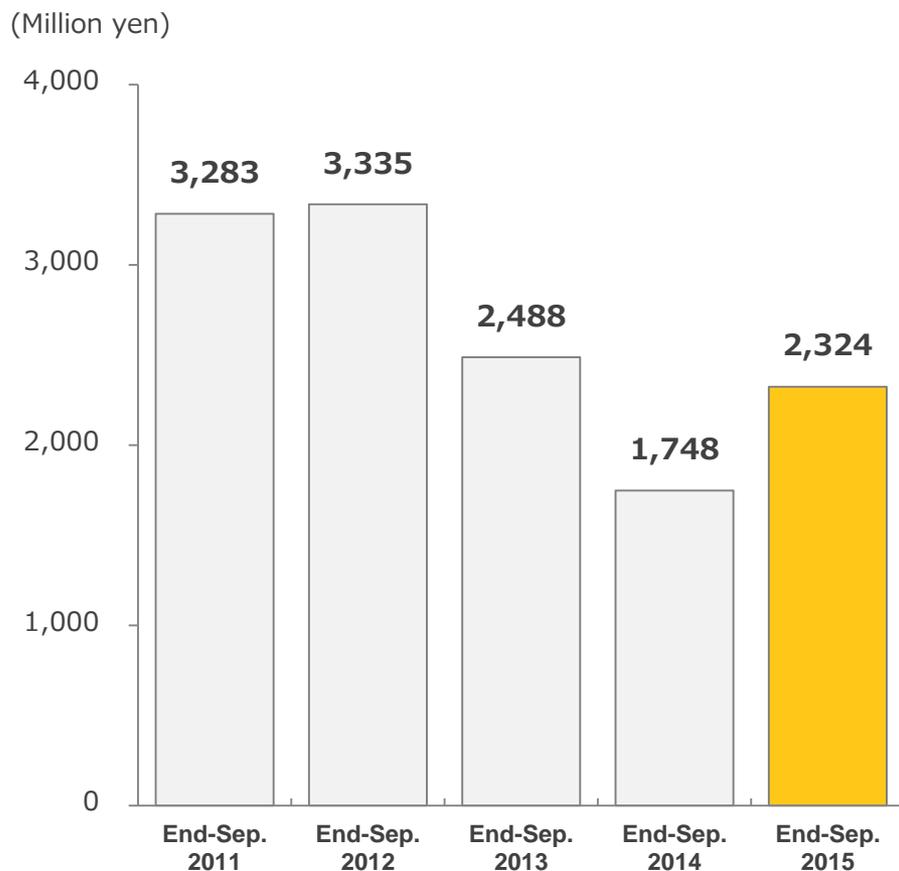
\*1. Liquidity in hand = Cash and deposits+ Securities included in current assets

\*2. Shareholders' equity = Net assets—Minority interest—Share warrant

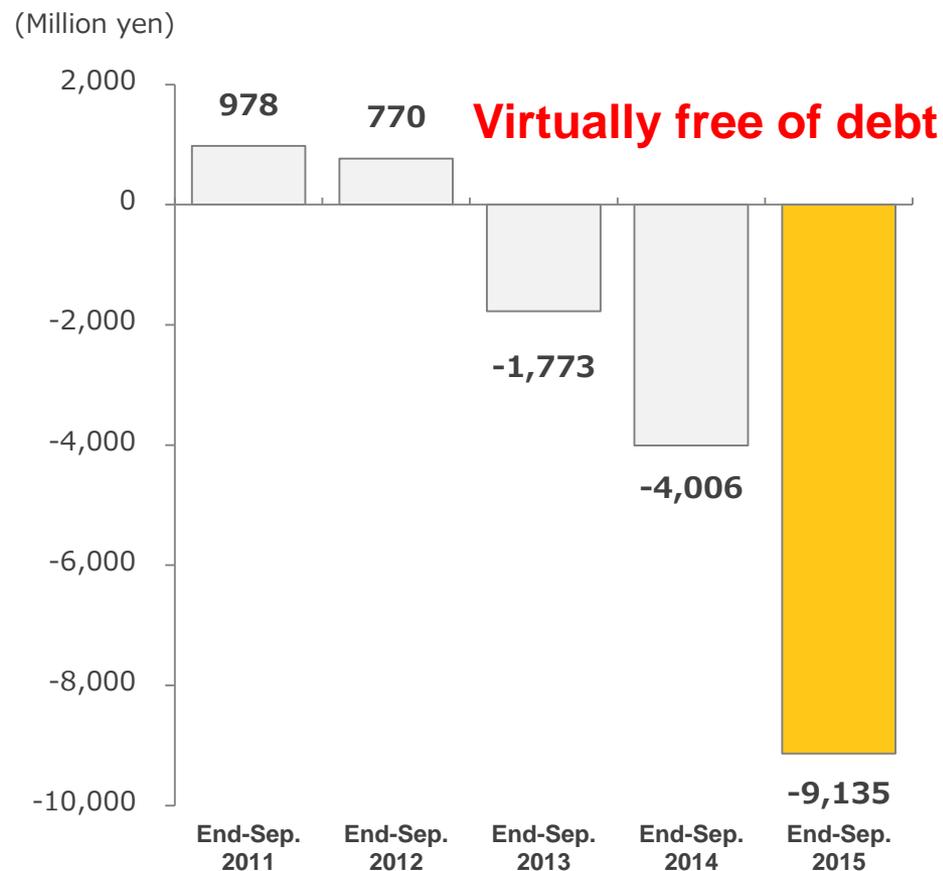
\*3. Shareholders' equity ratio = Shareholders' equity ÷ Total assets

# Financial Index (2) Interest-Bearing Debt

Interest-bearing debt



Net interest-bearing debt



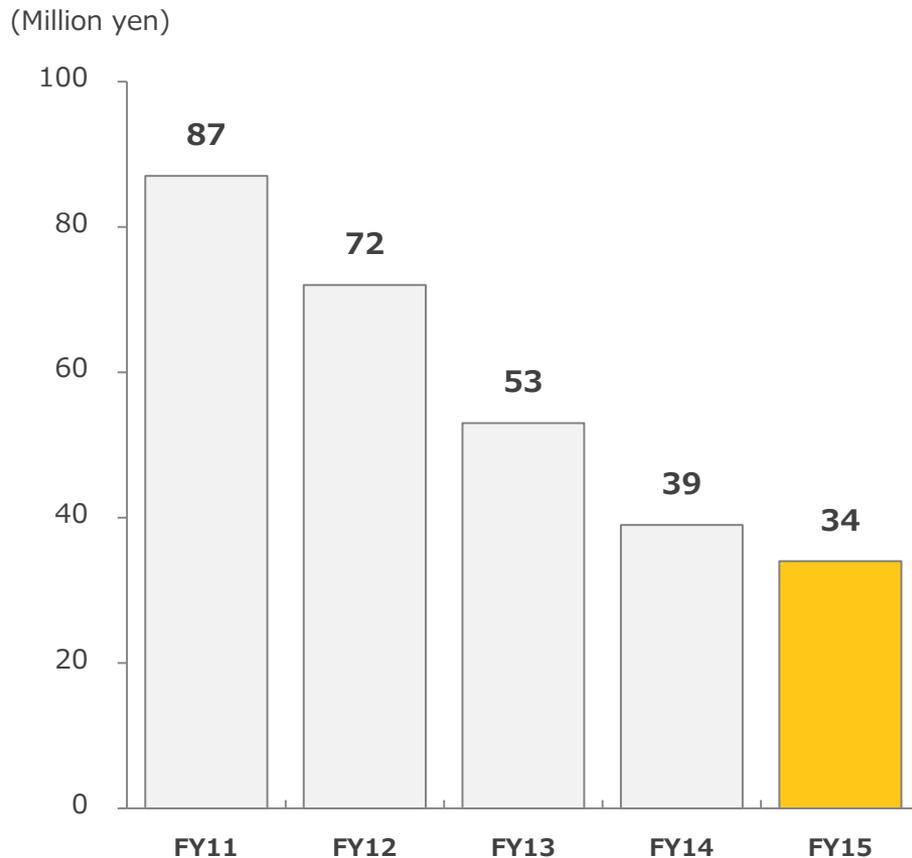
\*1. Interest-bearing debt = Short-term debt+ Long-term debt+ Current portion of long-term debt+ Bond (lease liability not included)

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

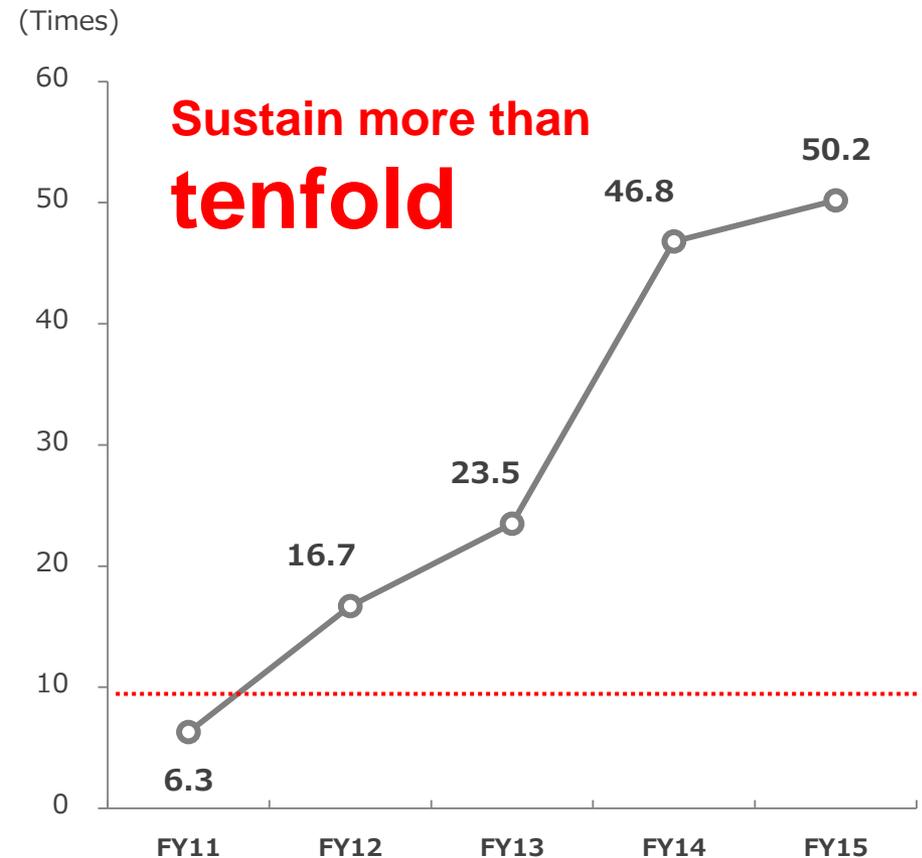
\*3. Liquidity in hand = Cash and deposits+ Securities included current assets

# Financial Index (3) Interest Paid and ICR

Interest paid



ICR

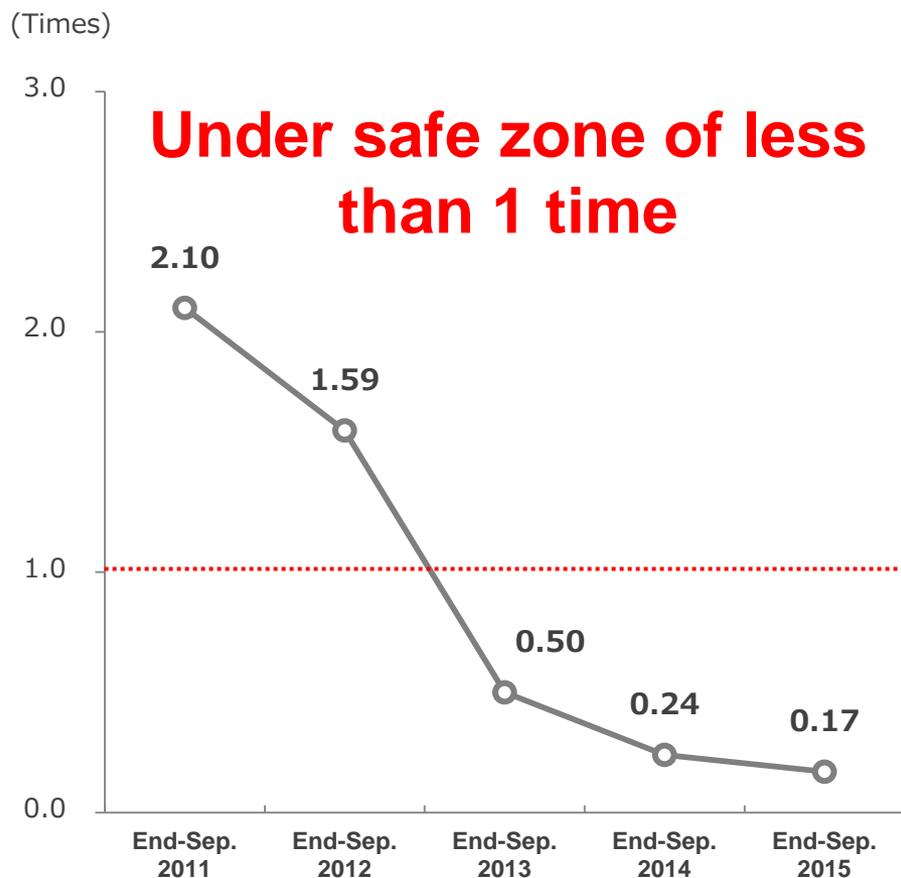


\*1. Instant coverage ratio (ICR) = Net operating profit ÷ Interest paid

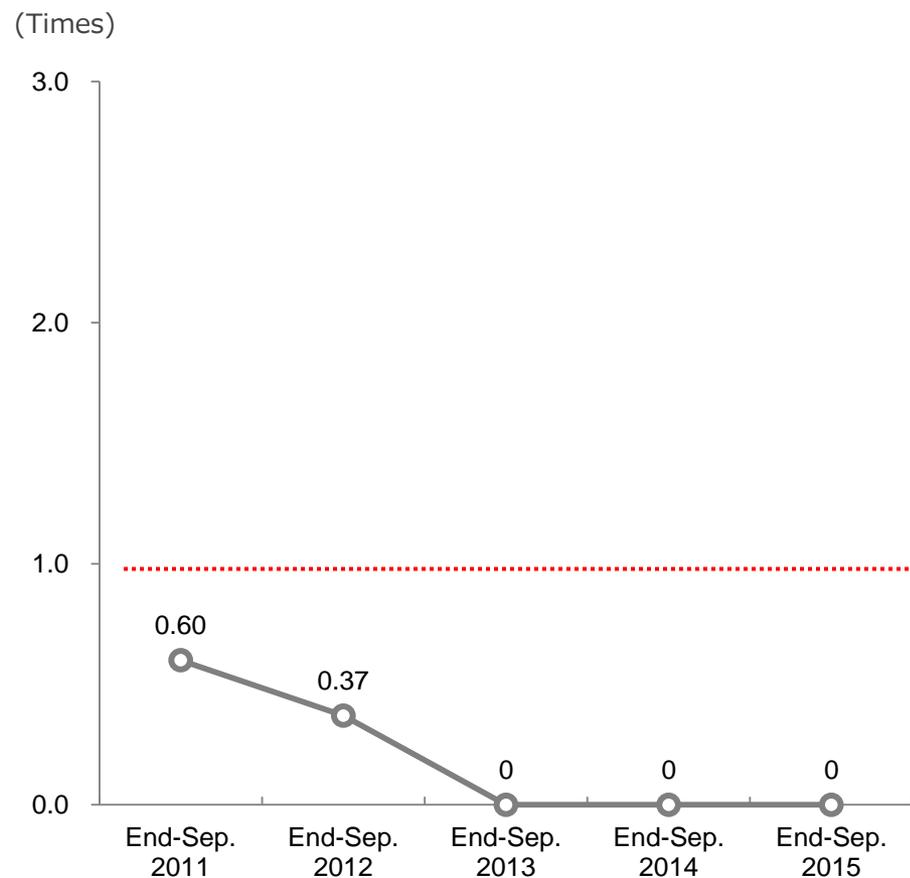
\*2. Net operating profit = Operating income + Interest received + Investment gain/loss on equity method

# 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-Sep. '15	Change
Shareholders' equity	7,375	<b>13,555</b>	<b>+6,179</b>
Shareholders' equity ratio	57.6%	<b>68.5%</b>	<b>+10.9pt.</b>
Liquidity in hand	5,755	<b>11,460</b>	<b>+5,705</b>
Interest-bearing debt	1,748	<b>2,324</b>	<b>+575</b>
D/E ratio	0.24x	<b>0.17x</b>	<b>▲0.07pt.</b>

# Segment Overview

# Segment Overview

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**Construction Technician  
Temporary Staffing**

# TOPIC

- 1. Sales up 18%**
- 2. Operating income up 4%**
- 3. Achieved to hire  
1,700 people**

# Four Indicators of Sales

No. of engineers

×

Operating rate

×

Operating time

×

Unit cost of  
temporary staffing



# Sales

# Number of engineers (1)

## Recruitment

- Recruiting was down in the Oct-Dec quarter but was consistent at about 160 people each month afterward.

(Unit: Persons)

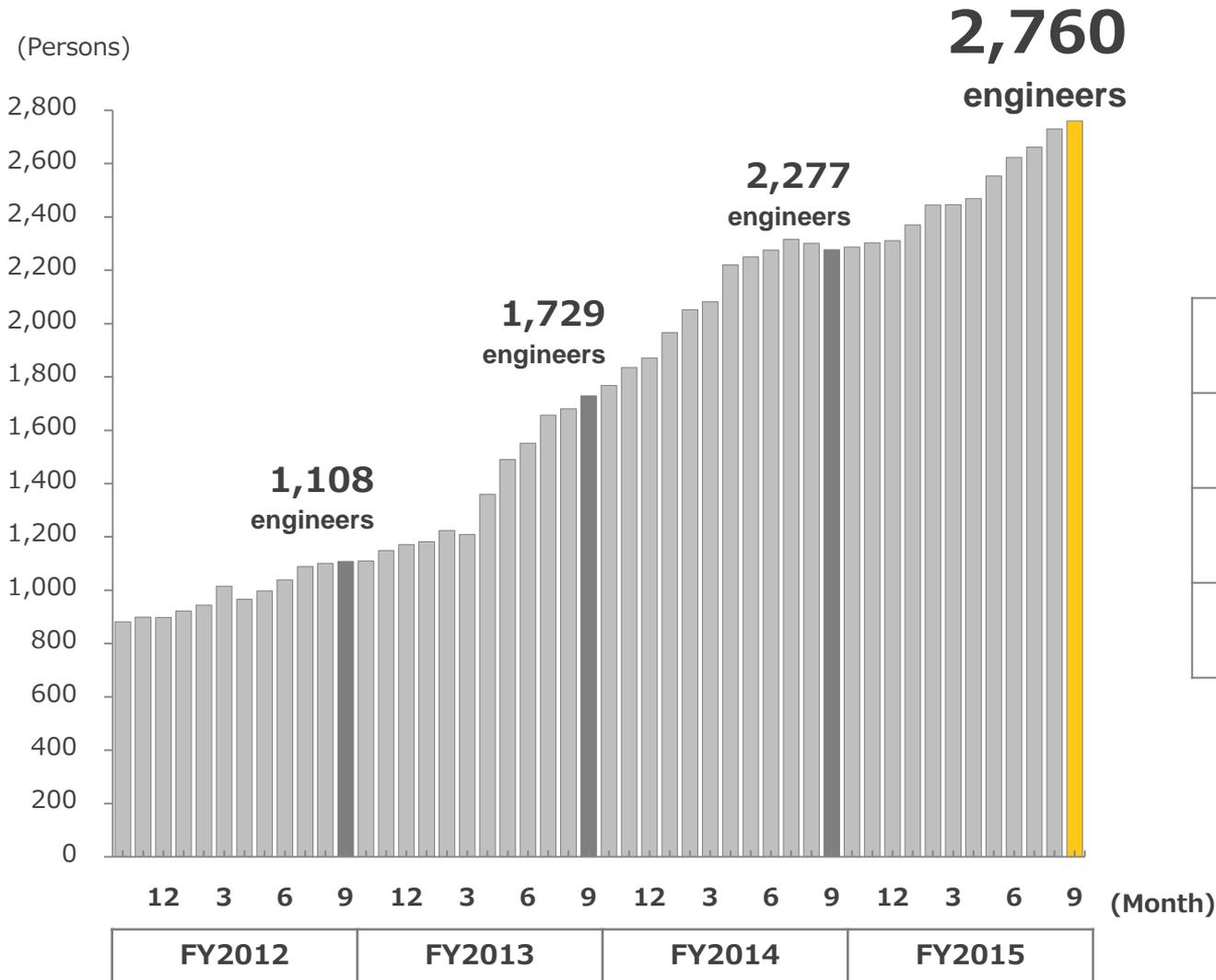
	Oct	Nov	Dec	Jan	Feb	Mar	Oct – Mar total
FY15 Planned recruitment	305			405			710
FY15 recruitment	269			436			705
Difference	▲36			+31			▲5

	Apr	May	Jun	Jul	Aug	Sep	Apr – Sep total	Oct – Sep total
FY15 Planned recruitment	455			435			890	1,600
FY15 recruitment	534			463			997	1,702
Difference	+79			+28			+107	+102

# Number of engineers (2)

## Changes in the Number of Engineers

■ Increased 483 engineers (+21.2%) compared with the end of previous fiscal year



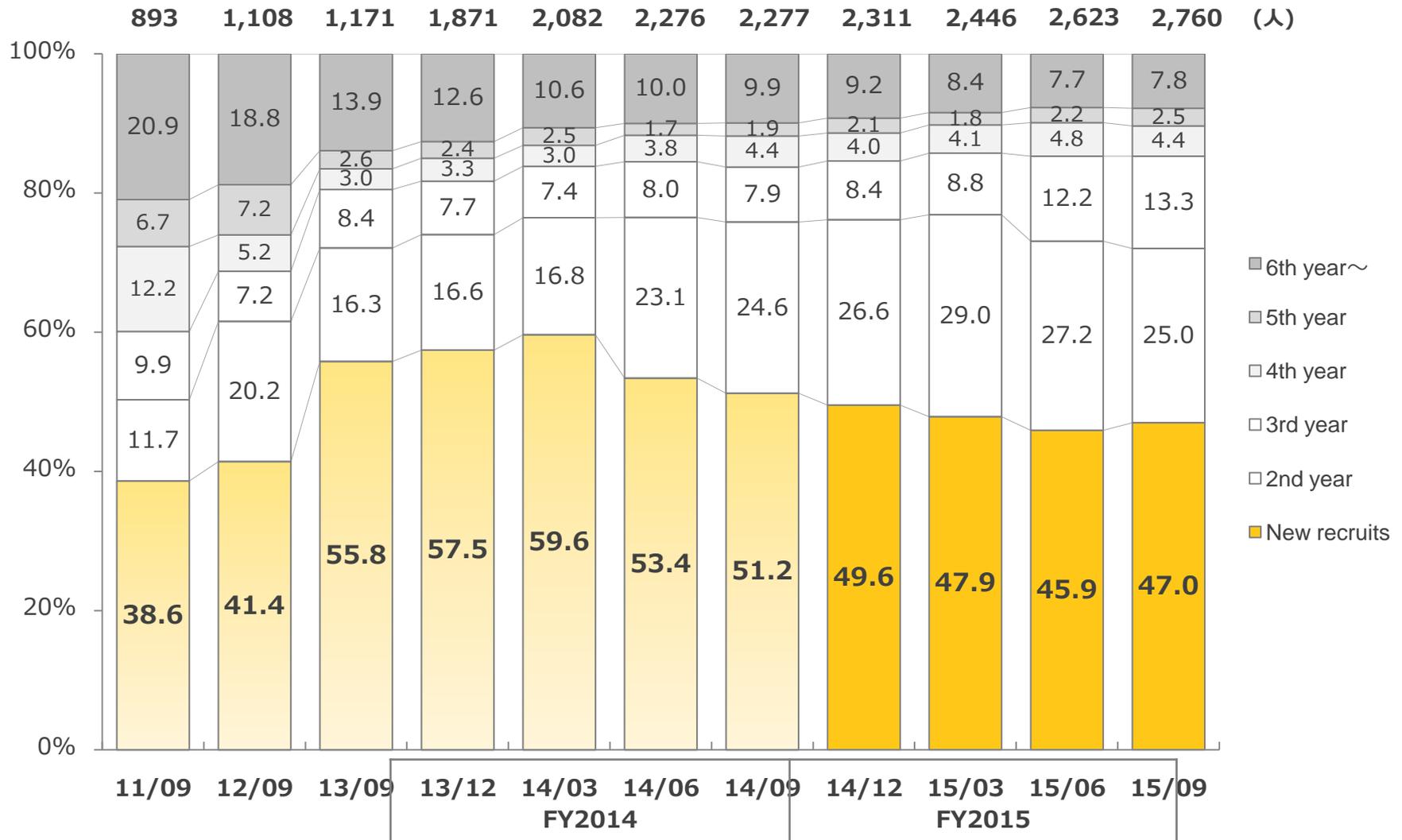
Annual average number of engineers

FY	Annual average number of engineers	YoY
FY2012	988 engineers	
FY2013	1,376 engineers	39.2%
FY2014	2,101 engineers	52.7%
FY2015	2,497 engineers	18.8%

\*Number of engineers at the end of month

# Number of engineers (3) Ratio by Length of Service

■ The new employee ratio peaked in FY2014 but increased slightly in Q4 of FY2015 because of successful recruiting activities.

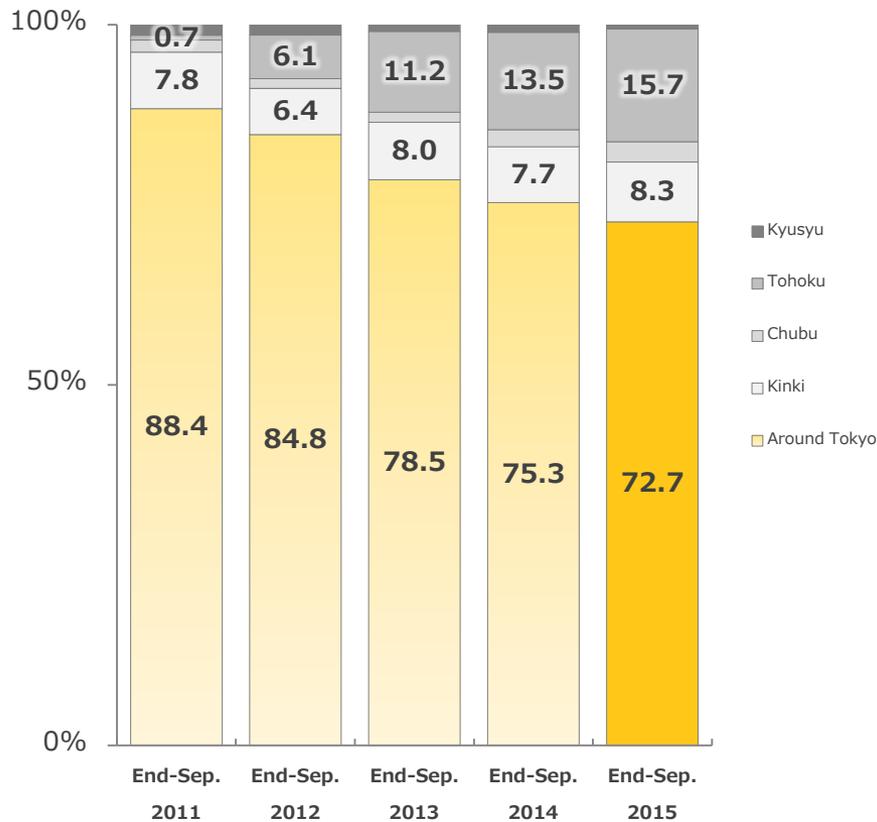


# Number of engineers (4)

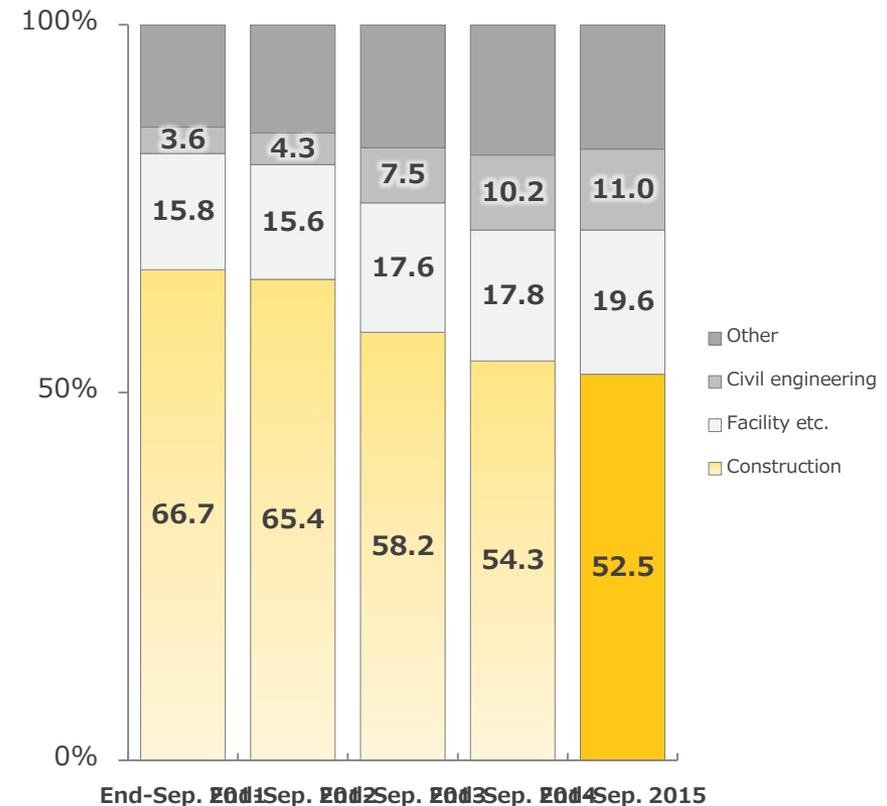
## Ratio by area and industry of temporary staffing

- 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



# Number of engineers (5)

## Sales Composition Ratio

- 1,274 client companies due to steady progress with capturing new business
- An increase of 560 companies (+79%) from 711 in FY2011

### Sales composition ratio

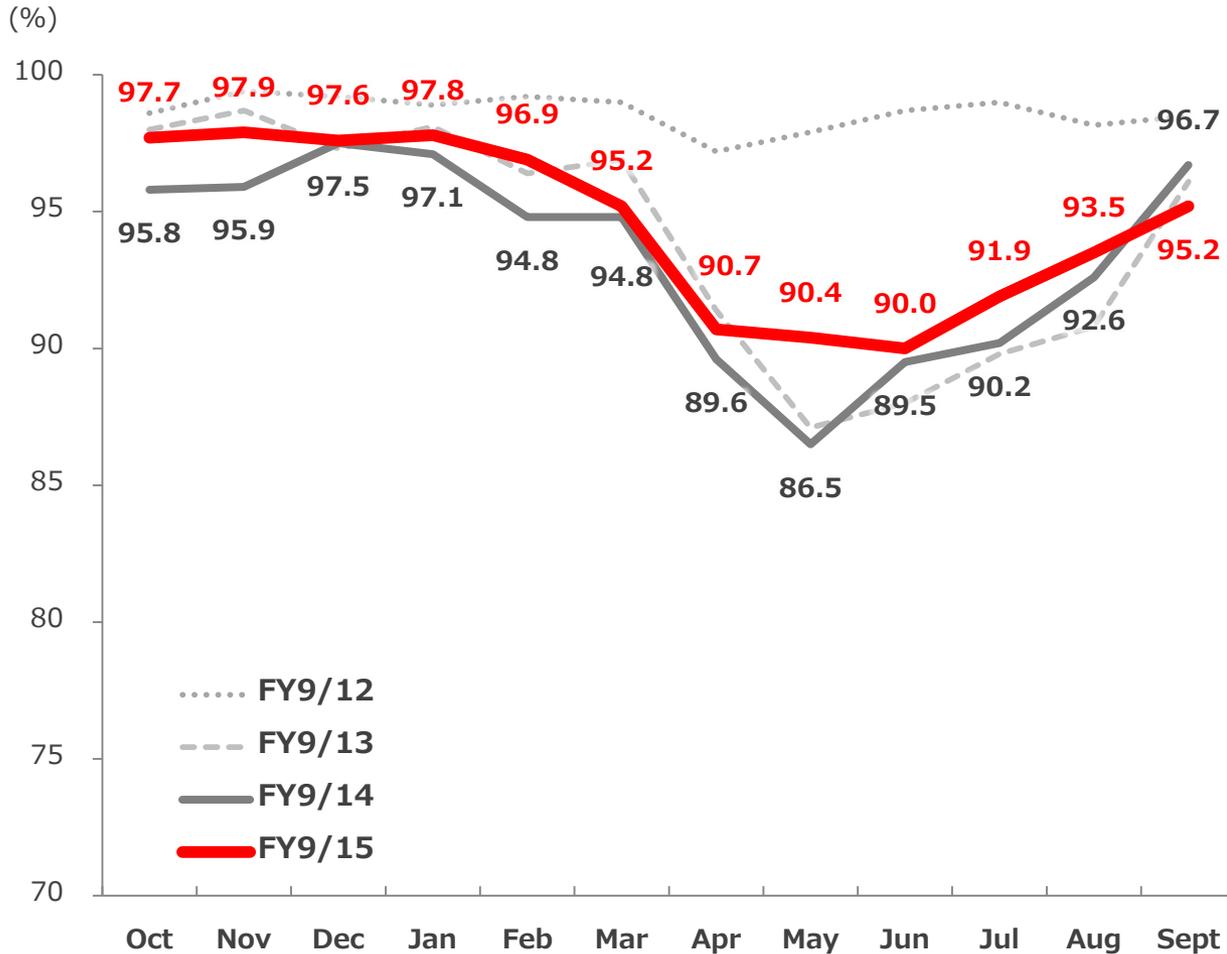
(%)

Rank	FY2011		FY2012		FY2013		FY2014		FY2015	
1	TOKYU CONSTRUCTION CO., LTD.	7.1	TOKYU CONSTRUCTION CO., LTD.	8.9	TOKYU CONSTRUCTION CO., LTD.	6.6	Daiwa House Industry Co., Ltd.	6.5	Daiwa House Industry Co., Ltd.	6.2
2	Konoike Construction Co., Ltd.	4.2	Konoike Construction Co., Ltd.	3.2	Daiwa House Industry Co., Ltd.	4.8	TOKYU CONSTRUCTION CO., LTD.	4.6	Taisei Corporation	3.7
3	Kajima Corporation	3.5	Takenaka Corporation	3.0	KUROSAWA CONSTRUCTION CO.,LTD.	2.7	Taisei Corporation	3.5	SHIMIZU CORPORATION	2.8
4	Takenaka Corporation	2.9	Kajima Corporation	2.8	Takenaka Corporation	2.2	HAZAMA ANDO CORPORATION	1.6	TOKYU CONSTRUCTION CO., LTD.	2.7
5	Daiwa Odakyu Construction Co., Ltd.	2.7	Sumitomo Mitsui Construction Co., Ltd.	2.0	Taisei Corporation	2.2	SHIMIZU CORPORATION	1.6	Takenaka Corporation	2.2
	Top 5 total	20.4	Top 5 total	19.9	Top 5 total	18.5	Top 5 total	17.8	Top 5 total	17.5
	Top 10 total	29.7	Top 10 total	29.1	Top 10 total	27.5	Top 10 total	24.9	Top 10 total	24.8

※敬称は省略しております。

# Operating Rate

■ Supply and demand remain tight → Operating rate is high



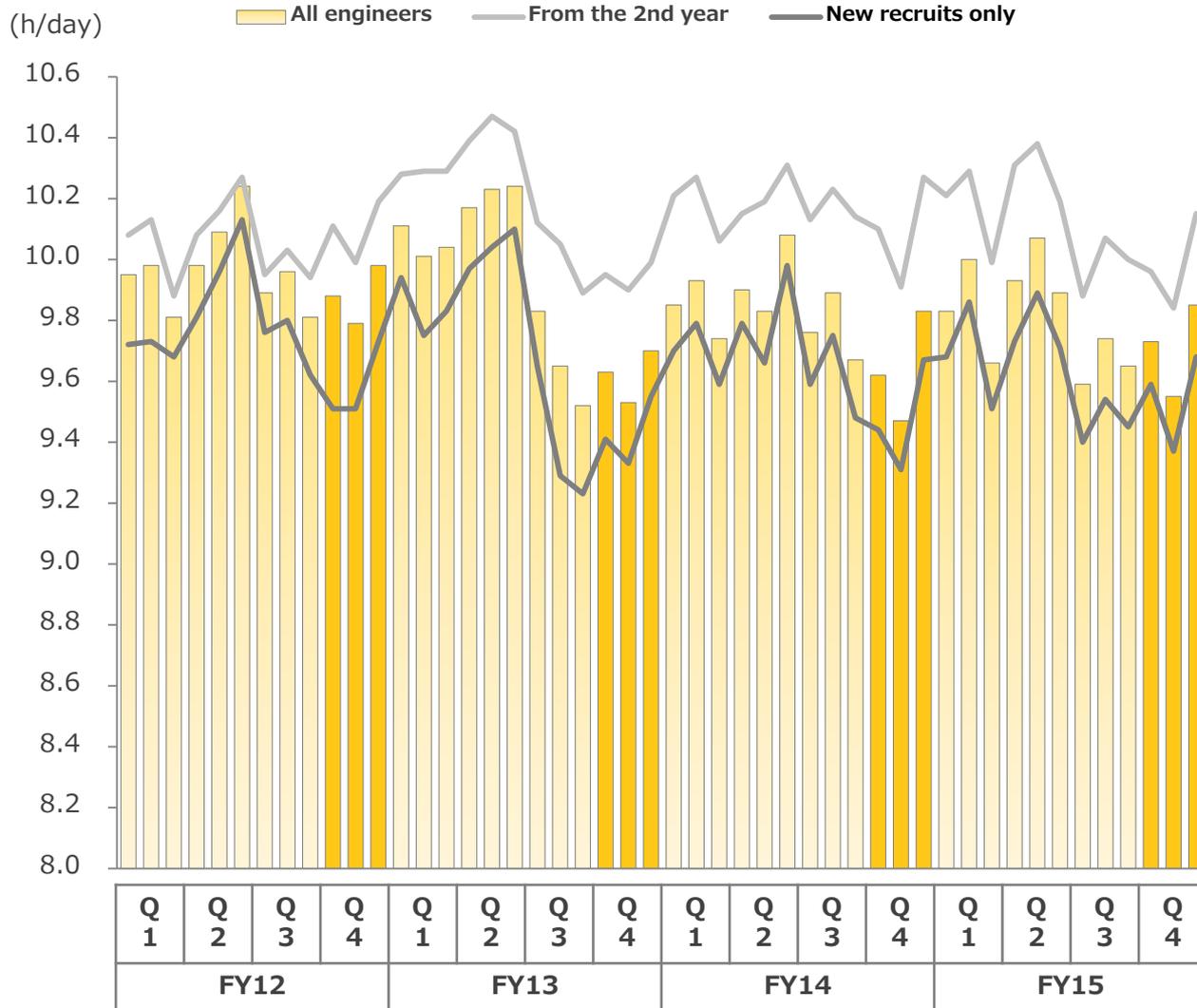
Annual average operating rate

FY	Annual average operating rate	YoY
FY2012	98.6%	YoY
FY2013	94.1%	▲4.5pt.
FY2014	93.4%	▲0.7pt.
FY2015	94.6%	+1.2pt.

Q1	Q2	Q3	Q4
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# Operating Time

Settled at 10h/day due to labor control

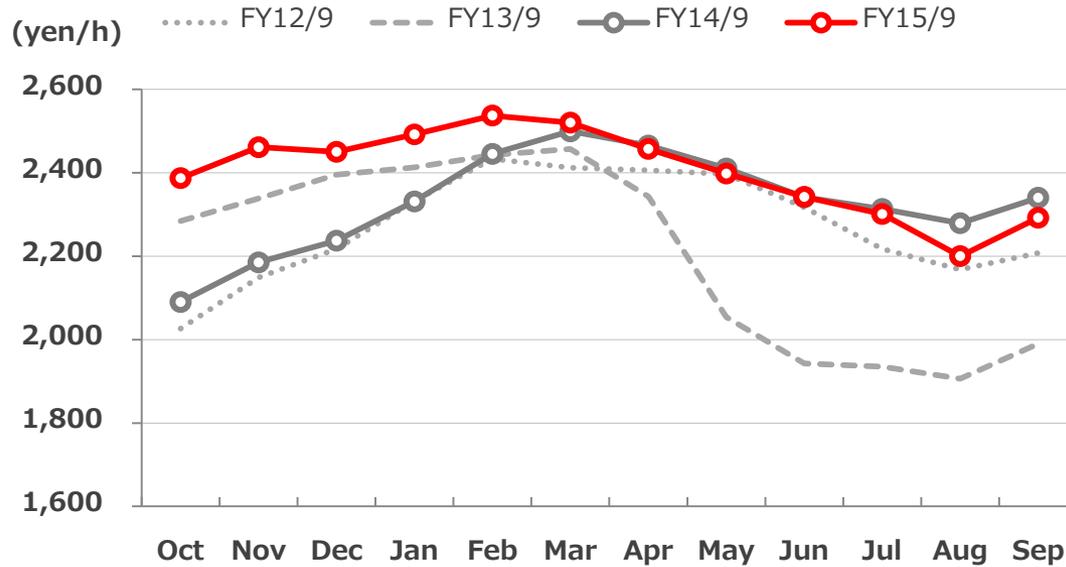


Average of all engineers

FY	Average (h)	YoY Change
FY2012	9.95h	
FY2013	9.89h	▲0.06h
FY2014	9.80h	▲0.09h
FY2015	9.79h	▲0.01h

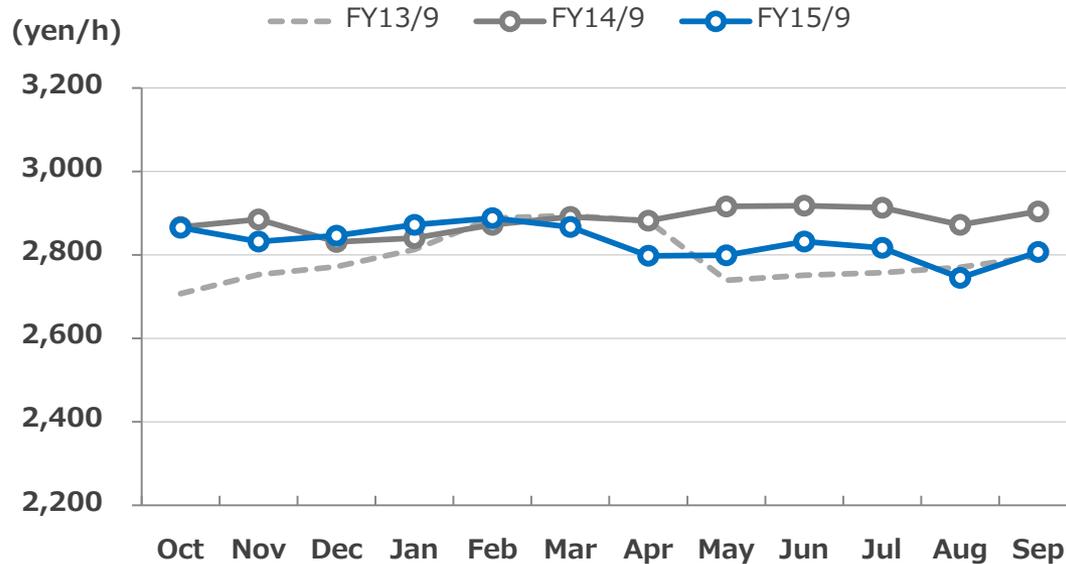
# Unit Cost of Temporary Staffing (1)

## Changes in New Recruits and 2<sup>nd</sup> Year



### New recruits only

FY	Count	YoY
FY2012	2,273	
FY2013	2,208	▲2.9%
FY2014	2,328	+5.4%
FY2015	2,403	+3.2%

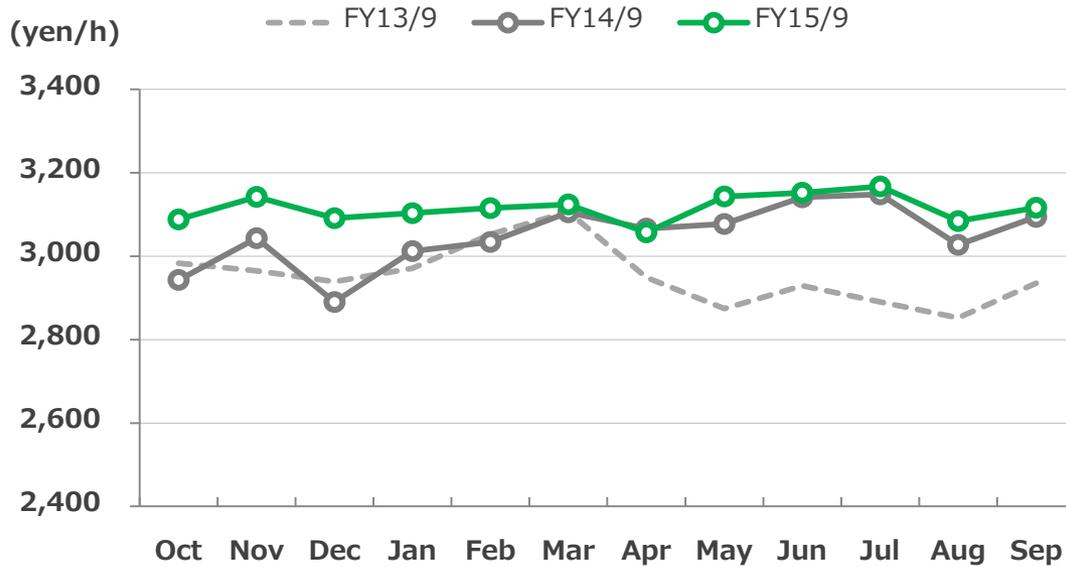


### 2<sup>nd</sup> year only

FY	Count	YoY
FY2013	2,794	
FY2014	2,883	+3.2%
FY2015	2,831	▲1.8%

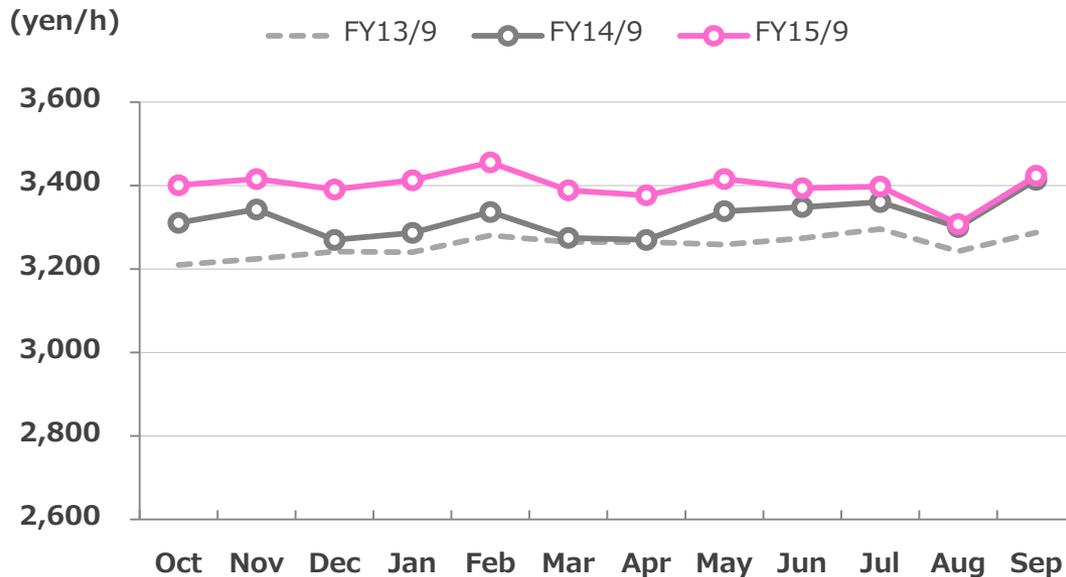
# Unit Cost of Temporary Staffing (2)

## Changes from the 3<sup>rd</sup> and 4<sup>th</sup> Year and Over



3<sup>rd</sup> year only

FY	Unit Cost (Yen/h)	YoY Change
FY2013	2,954	
FY2014	3,048	+3.2%
FY2015	3,115	+2.2%



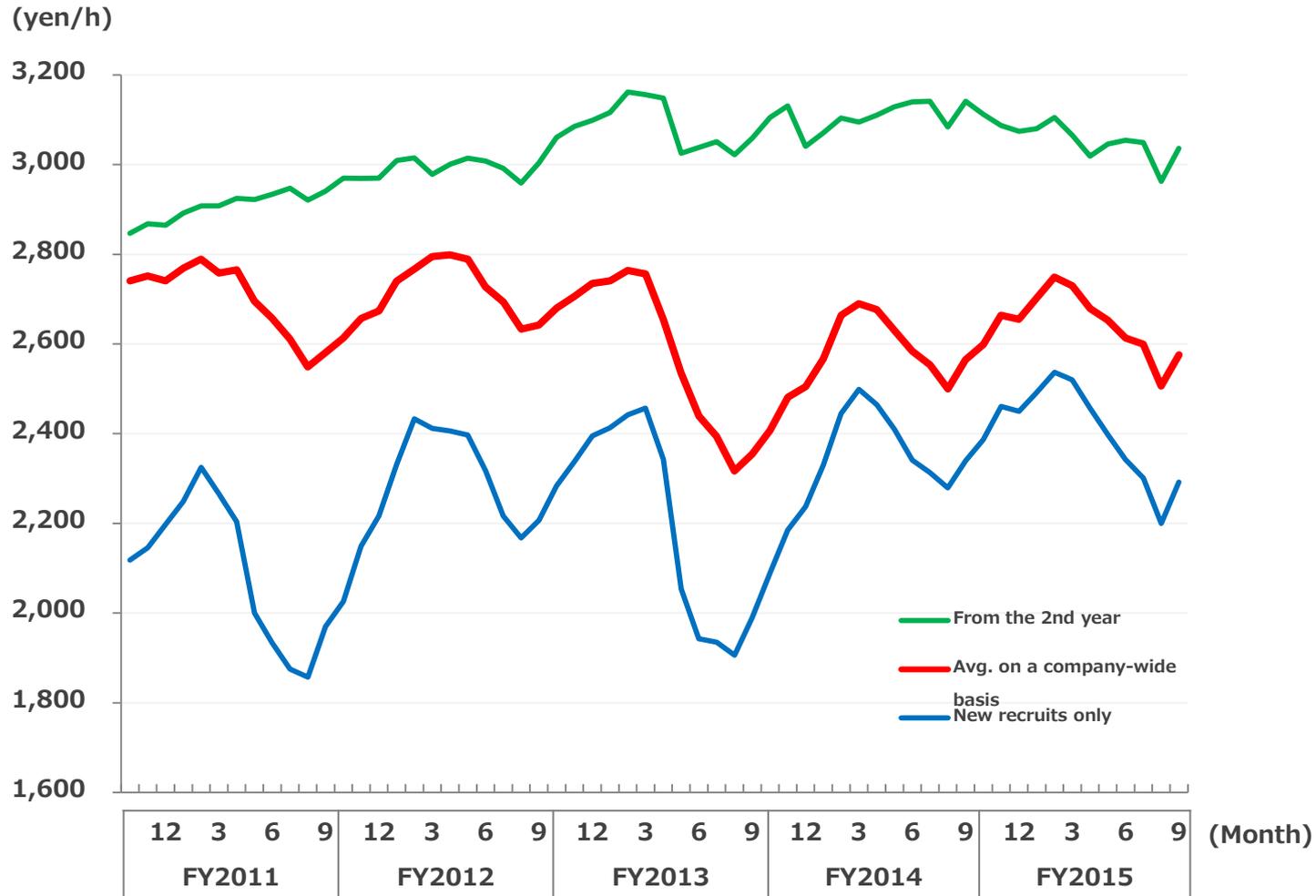
From the 4<sup>th</sup> year

FY	Unit Cost (Yen/h)	YoY Change
FY2013	3,257	
FY2014	3,321	+2.0%
FY2015	3,399	+2.3%

# Unit Cost of Temporary Staffing (3)

## Interim Changes

- Average unit price was up for all engineers for the first time in two years due to a lower ratio of first-year workers.



All engineers	2,701	2,711	2,590	2,569	2,644
YoY		+0.4%	▲4.5%	▲0.8%	+2.9%

# Summary of Four Indicators of Sales

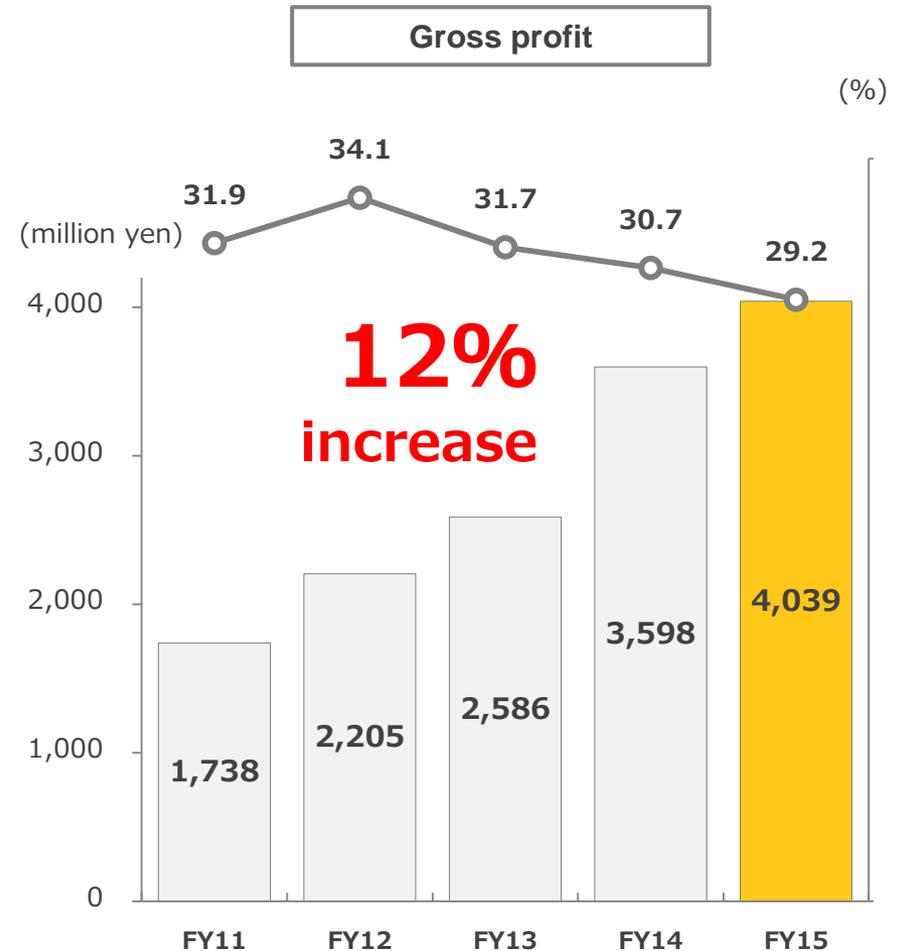
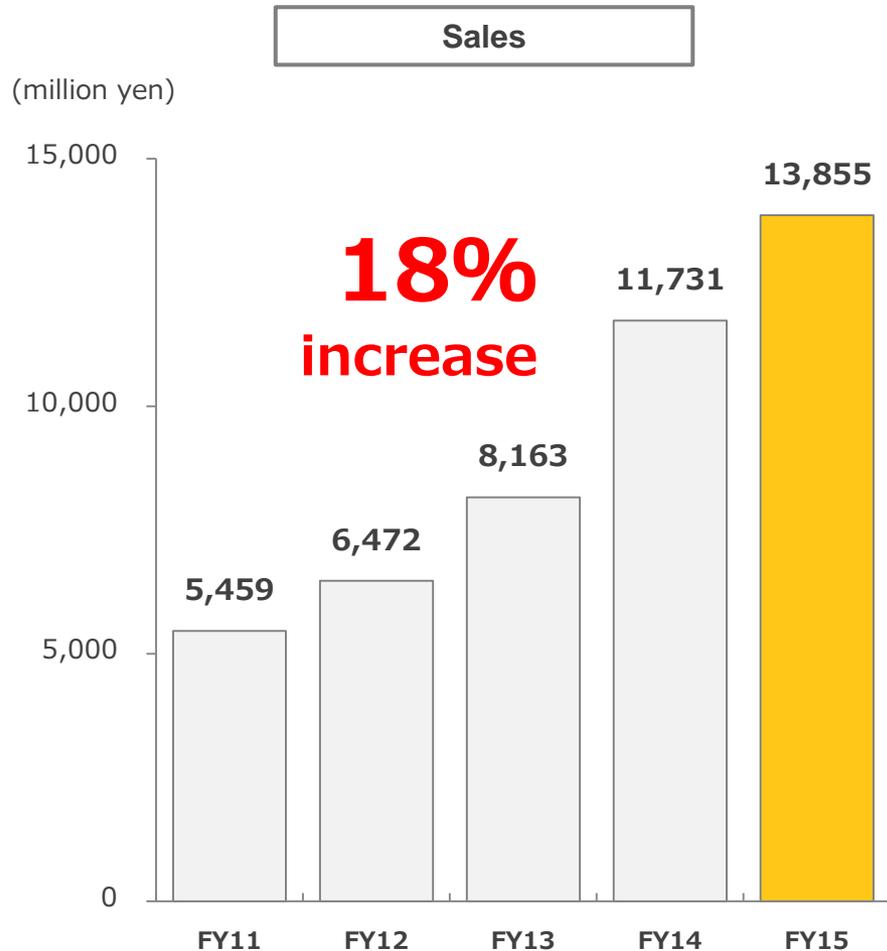
12 months average of all engineers (Oct. – Sep.)

	FY2014	FY2015	Change	Percentage change
No. of engineers	2,101 Engineers	2,497 engineers	+396人	+18.8%
Operating rate	93.4%	94.6%	+1.2pt.	—
Operating time	9.80h	9.79h	▲0.01h	▲0.1%
Unit cost of temporary staffing	2,569yen	2,644yen	+75yen	+2.9%

# Non-consolidated P/L Statement (1)

## Sales and Gross Profit (Total)

- Sales ⇒ No. of staffs at work increased by 18% through aggressive recruiting activity
- Gross profit ⇒ Increased by 12%. However, profit margin down due to increase in cost



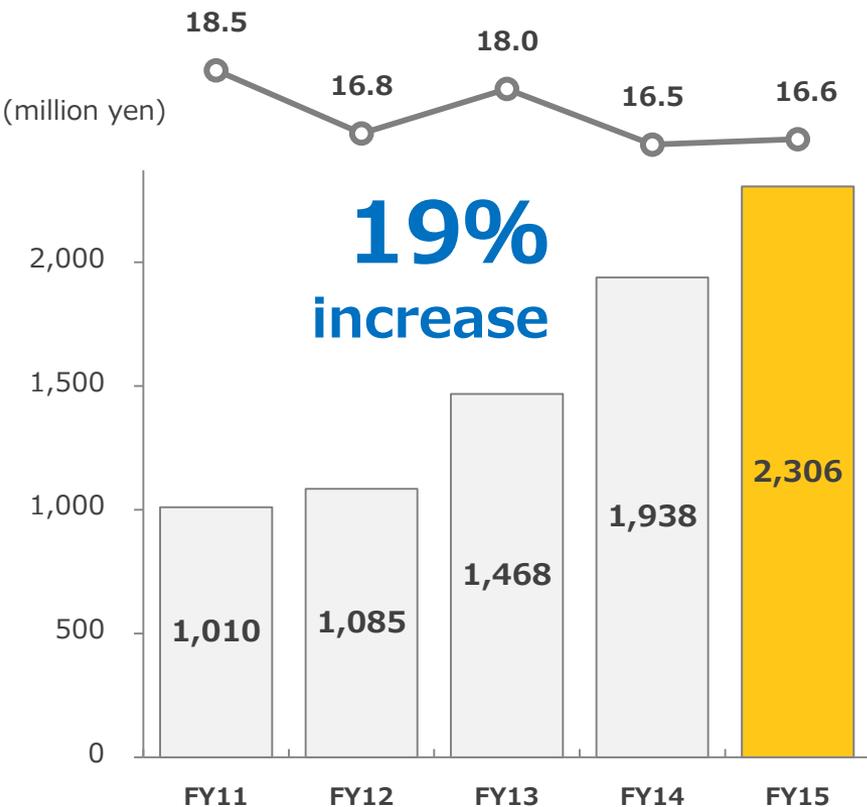
# Non-consolidated P/L Statement (2)

## SG&A Expenses and Operating Income (Total)

- Operating income ⇒ Small rate of increase despite stable SG&A ratio because the gross profit margin decreased

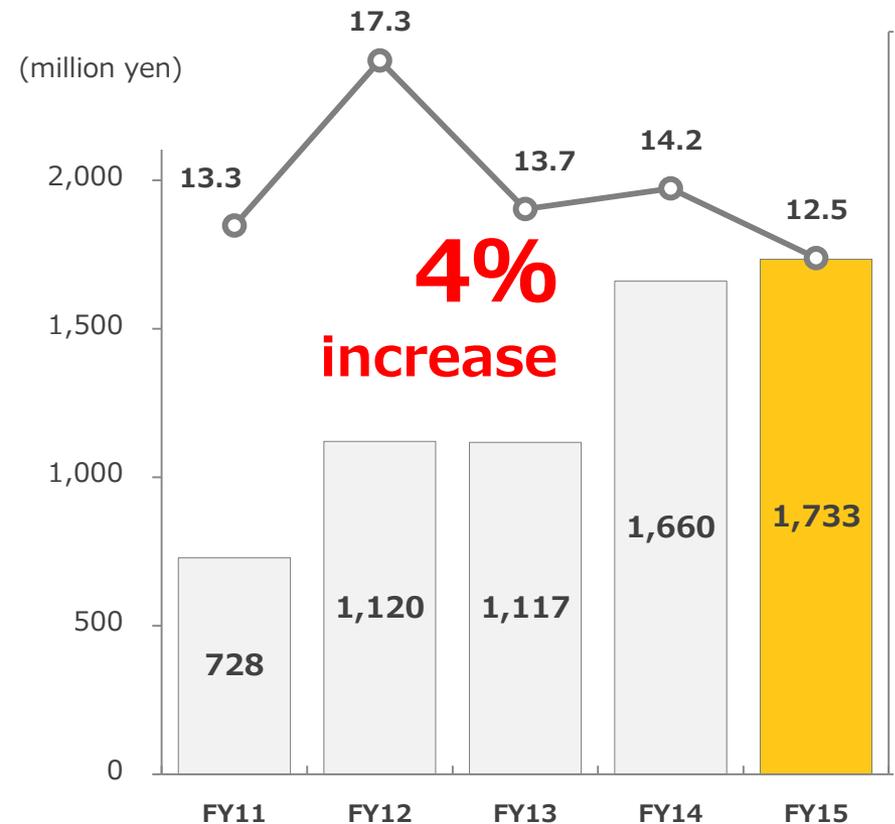
SG&A expenses

(%)



Operating income

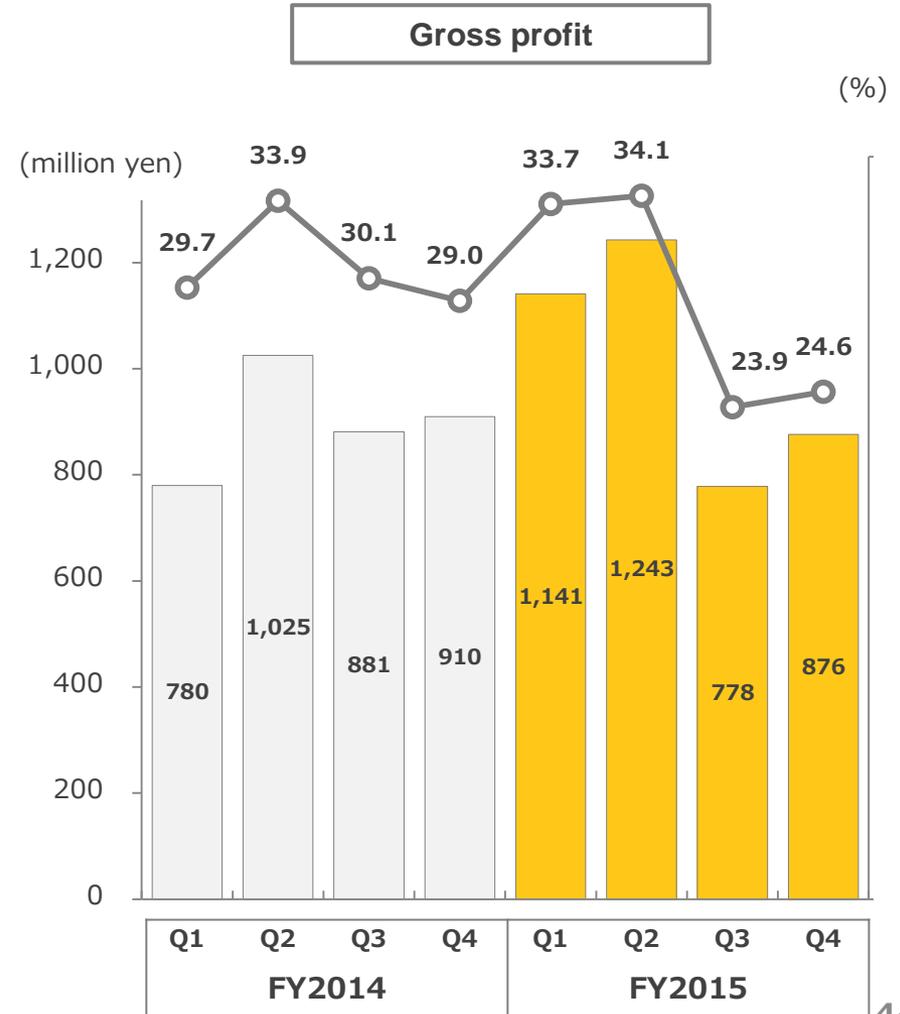
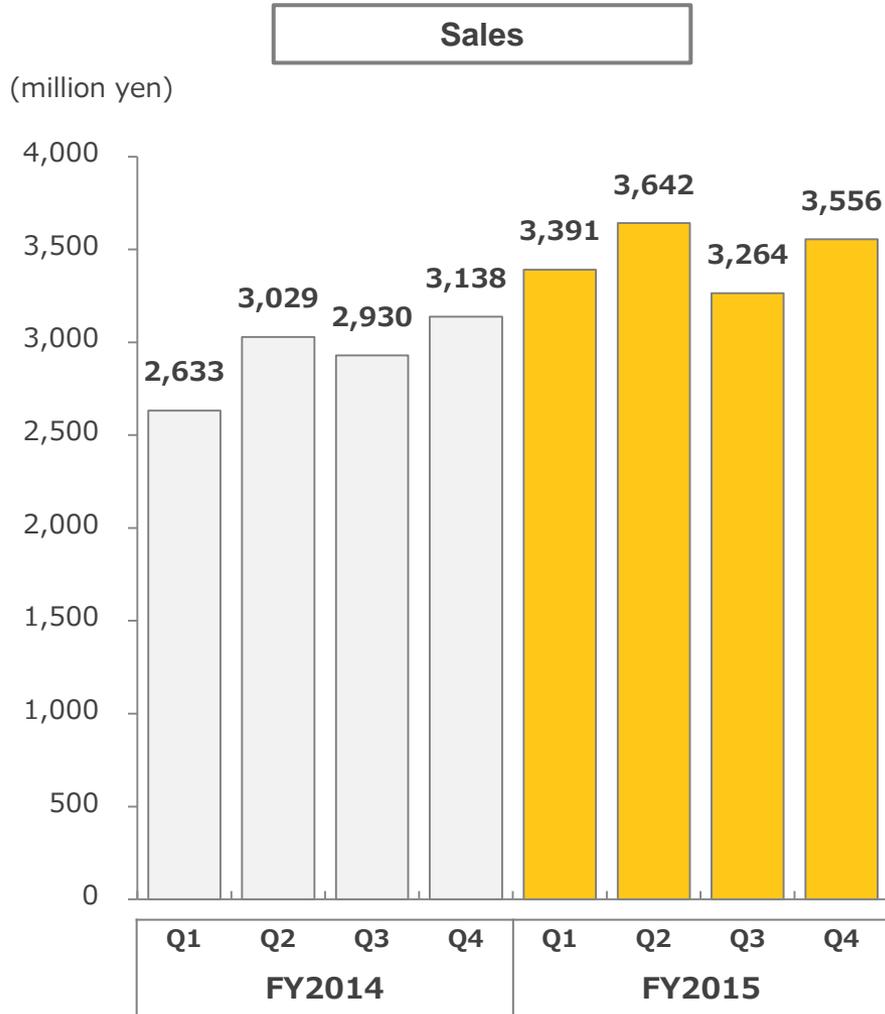
(%)



# Non-consolidated P/L Statement (3)

## Sales and Gross Profit (Quarter)

- Due to guarantee of 100% salary while waiting for the assignment, earnings significantly dropped in Q3 with lower operating ratio



# Non-consolidated P/L Statement (4)

## SG&A Expenses and Operating Income (Quarter)

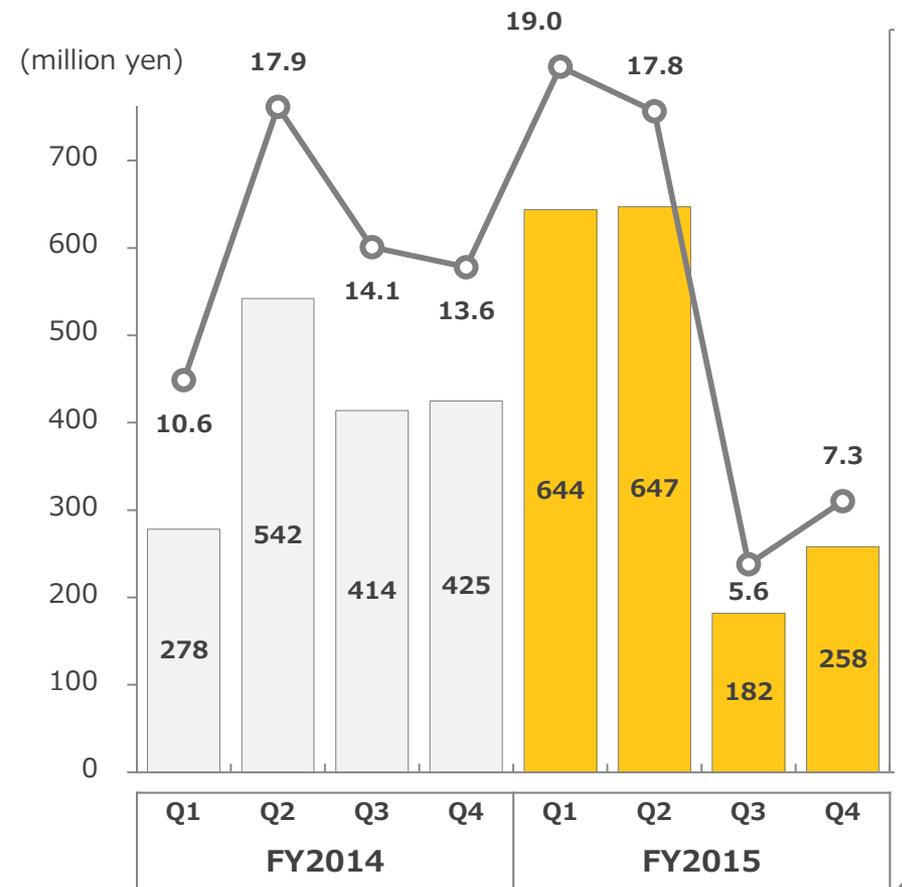
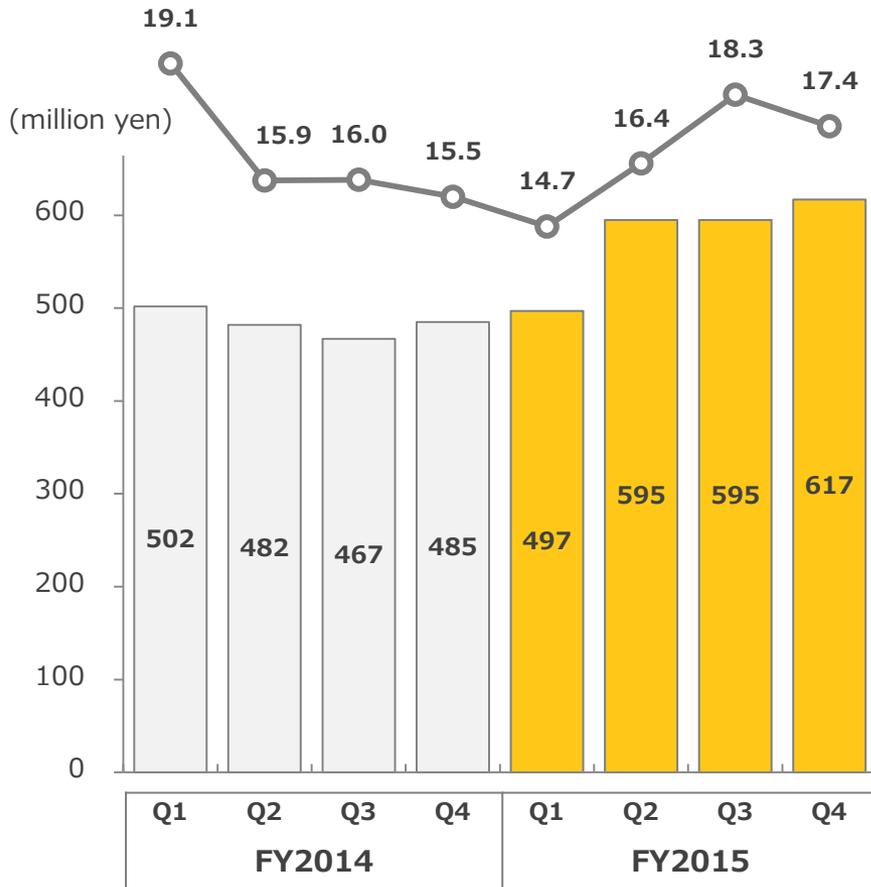
- SG&A ⇒ Head office relocation expenses are incurred from FY2015 Q2, and maintained same level
- Operating income ⇒ Although SG&A are settled, income largely decreased due to decrease in gross profit margin

SG&A expenses

(%)

Operating income

(%)



# Summary of Non-consolidated P/L Statement

(million yen)

	FY2014	FY2015	Change	Pct. change
Sales	11,731	13,855	+2,124	18.1%
Gross profit	3,598 (30.7%)	4,039 (29.2%)	+440	12.3%
SG&A expenses	1,938 (16.5%)	2,306 (16.7%)	+368	19.0%
Operating income	1,660 (14.2%)	1,733 (12.5%)	+72	4.4%
Ordinary income	2,716 (23.2%)	1,970 (14.2%)	▲746	▲27.5%
Net income	2,157 (18.4%)	1,895 (13.7%)	+262	▲12.2%

\*( ) = Percentage of sales

# Segment Overview

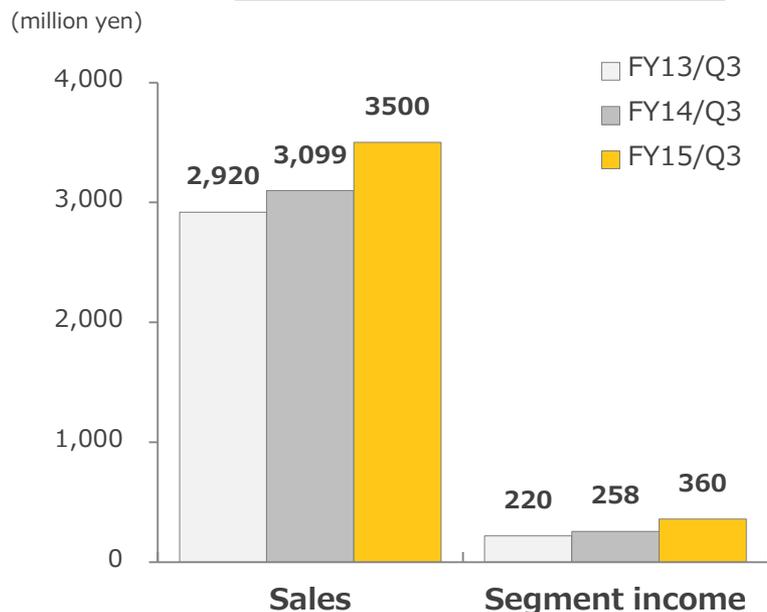
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**Other Segments**

# Other Segments (1)

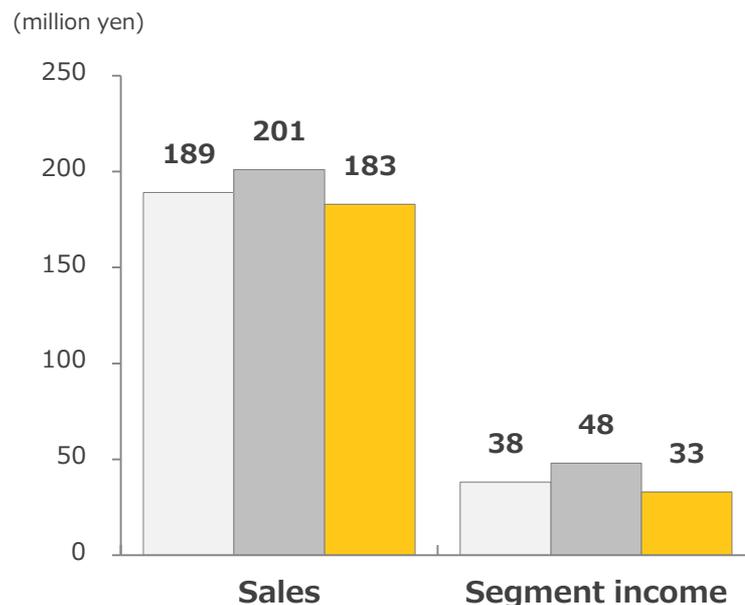
- Manufacturing engineer temporary staffing showed steady results due to aggressive recruitment of foreign engineers
- Childcare centers are favorable backed by issue of children on waiting lists for nursery schools while nursery staff is insufficient

Engineer temporary staffing



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

Childcare support services

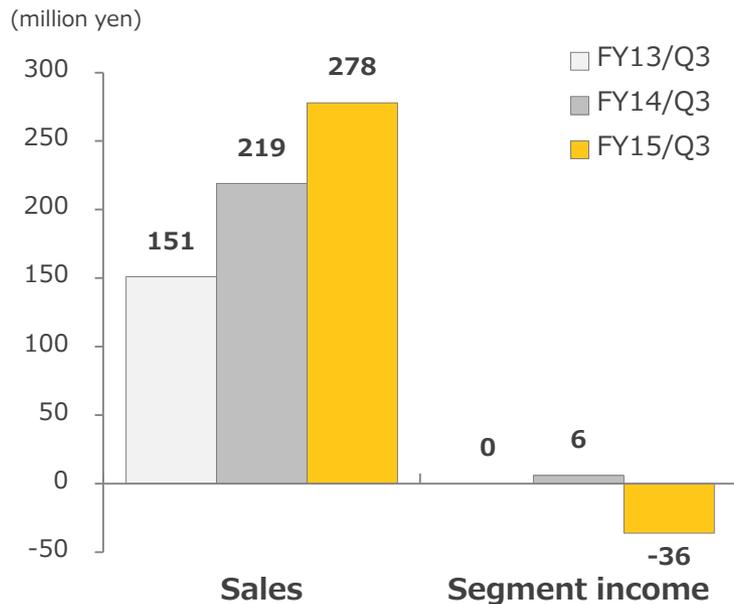


Operate 4 certified childcare centers  
Increase in facility users  
but nursery teacher temporary staffing was weak

# Other Segments (2)

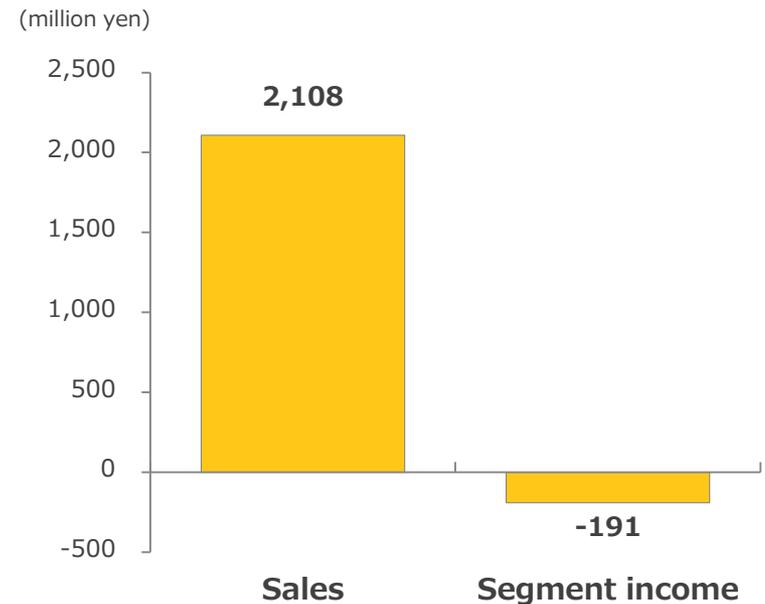
- Expenses for new facility exceeded income, although daycare customer steadily increased
- Orders for high-grade custom house showed steady results → aim for profitable in FY9/16

Nursing care business



Operation of 5 daycare center  
Income increased due to increase in customer

Comprehensive construction business



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

\*Segment income = After adjustment for ordinary income

**FY9/16**

FY9/16

# FY9/16 Consolidated Business Forecasts

(Million yen)

	<b>FY2015 actual</b>	<b>FY2016 forecast</b>	<b>Pct. change</b>
<b>Sales</b>	<b>21,115</b>	<b>23,000</b>	<b>8.9%</b>
<b>Net income</b>	<b>1,881</b>	<b>2,000</b>	<b>6.3%</b>
<b>Net income per share</b>	<b>27.84 yen</b>	<b>26.82 yen</b>	<b>▲3.7%</b>

# Key Initiatives

## Recovering of gross profit margin

1. **Increase temporary staffing fees**
2. **Recruit 2,000 engineers**
3. **Improve retention rate**

# Coverage of Yumeshin's Temporary Staffing

## Construction site

### Management

Construction site supervisors

Deputy and assistant  
managers/supervisors, etc.

Construction  
management specialist  
(Site foreman)

Construction trades  
(carpenters, fitters/riggers, rebar  
work, plastering, others)

## General contractor employees

Managers of prime contractor  
and at job site

## Coverage of our temporary staffing

About 70% of full-time employees  
are in their 20s

# **Management Strategies**

# Management Strategies (1)

## Recruitment plan for hiring 2,000 people / year

1. Standardize skills of people who interview applicants
2. Centralize oversight of recruiting from applicants to interviews and hiring
3. For men in their 20s, Yumeshin monthly salary is ¥250,000 (with overtime) vs. ¥190-¥210,000 for most other starting salaries

### A strong start with 165 people joined in October

(Persons)

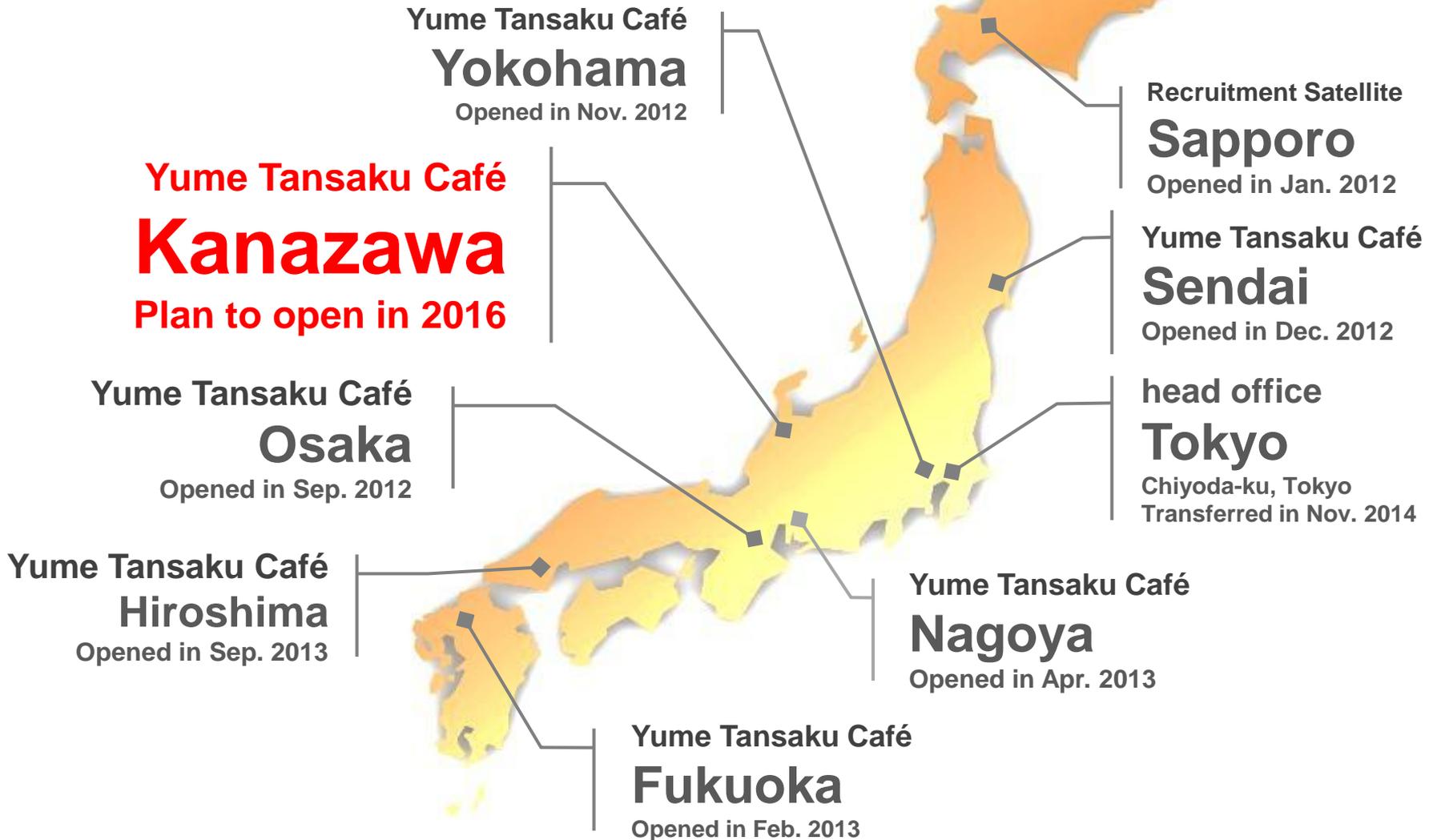
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Oct.-Mar. Total
<b>FY15 Planned recruitment</b>	<b>500</b>			<b>500</b>			<b>1,000</b>
FY15 recruitment	<b>165</b>	remain <b>335</b>					
FY14recruitment	101	168			436		705

	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Apr.-Sep. Total	Oct.-Sep. Total
<b>FY15 Planned recruitment</b>	<b>530</b>			<b>470</b>			<b>1,000</b>	<b>2,000</b>
FY14 recruitment		534			463		997	1,702

# Management Strategies (2)

## Establish more recruitment base

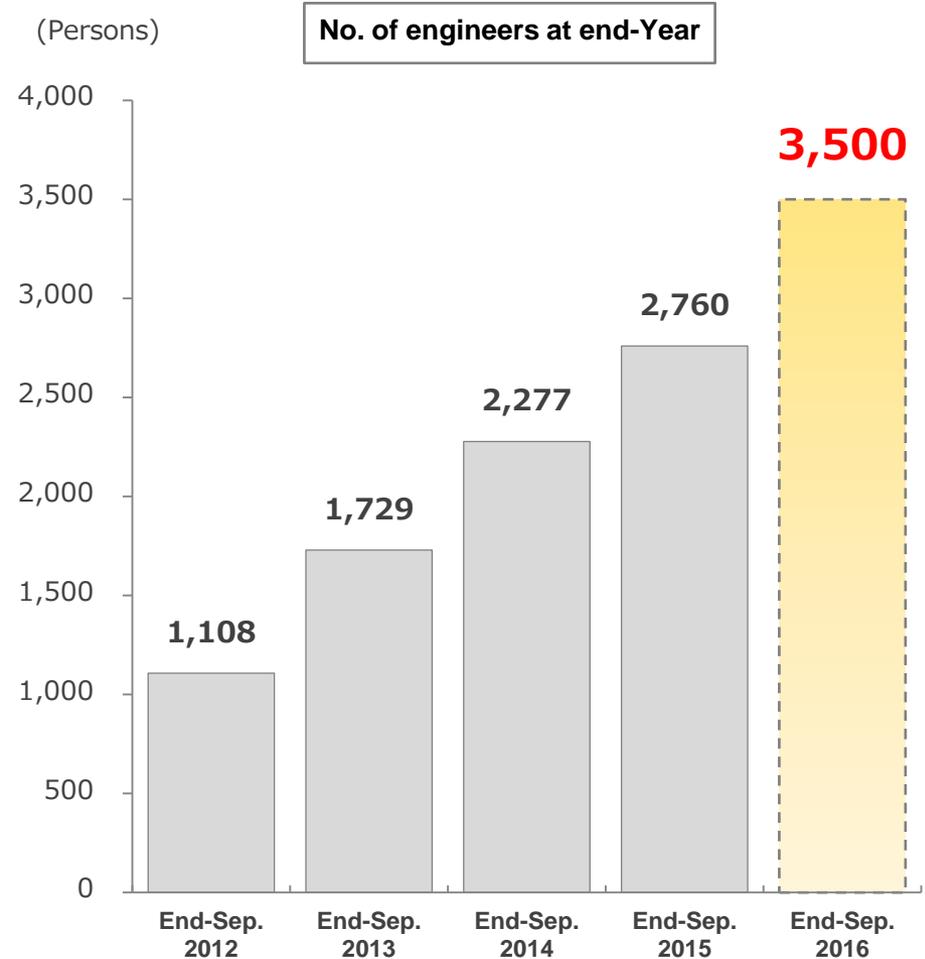
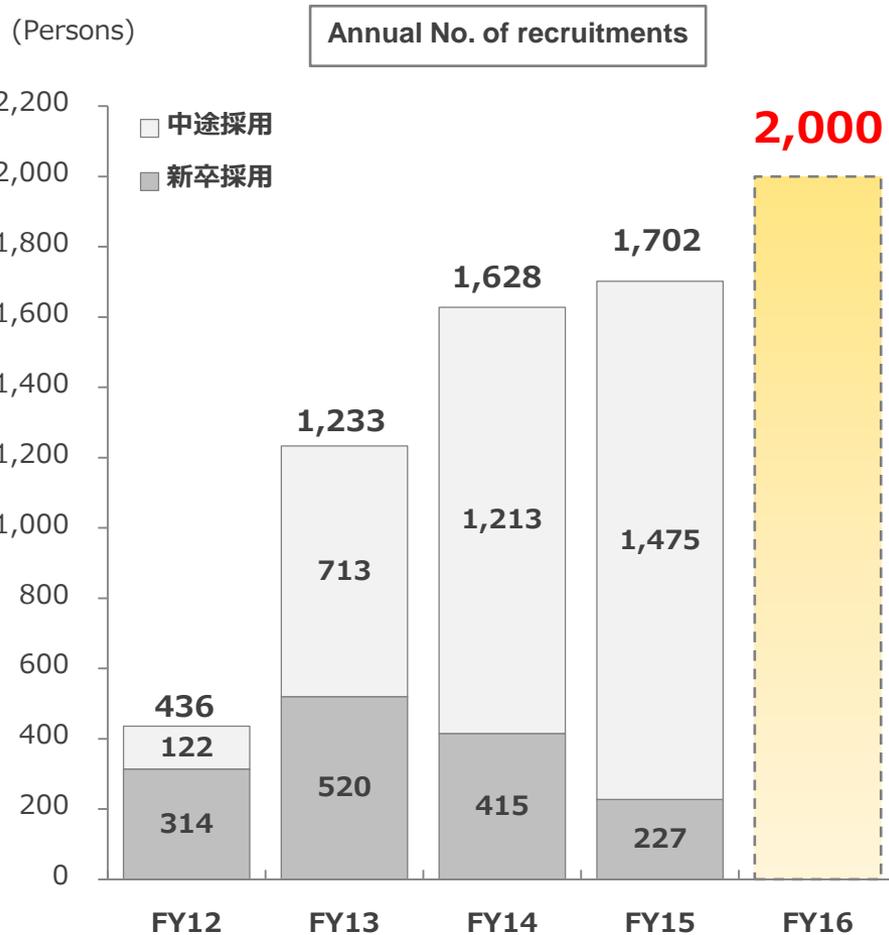
### Plan to establish new recruitment base in Hokuriku



# Management Strategies (3)

## Target number of engineers

- In FY2014, increased recruiting of experienced workers to prevent a downturn in the utilization rate caused by adding many new workers in April
- Aim to increase by 740 people to 3500 people by end-Sep. 2016



# Management strategies (4)

## Changes in retention rate

- Showed certain recovery in 2H of FY2015 by continuous measures
- Aim for FY2013 level in FY2016

### Changes in retention rate

	FY2013	FY2014	FY2015	FY2016 Plan
2Q	87.7%	84.7%	82.0%	—
Full-year	73.9%	67.8%	<u>69.4%</u>	73.5%
YoY	—	▲6.1pt.	+1.6pt.	+4.1pt.
No. of engineers at end-FY	1,729 engineers	2,277 engineers	2,760 engineers	3,500 engineers

\*Retention rate = No. of engineers at the end of the FY ÷ (No. of engineers at the end of previous FY + No. of engineers joined Yumeshin in the FY) × 100

# Management strategies (5)

## Measures for improving retention rate

### Monitoring strategies for all engineers

1. Create a career plan for each engineer
2. Provide regular opportunities to share information
3. Encourage and support quality circle activities

### Monitoring strategies for new engineers

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**

# Management strategies (6)

## Operating strategies

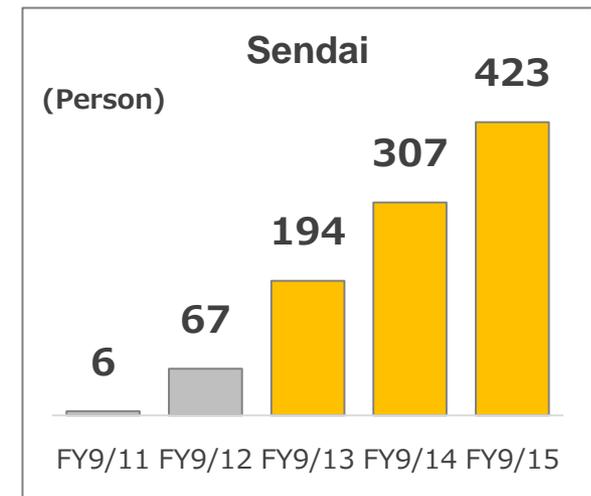
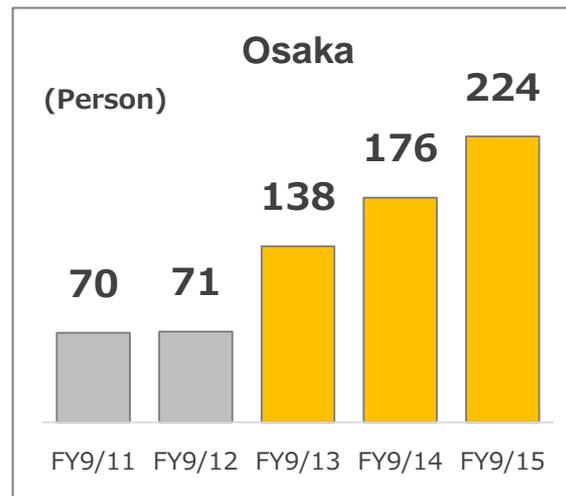
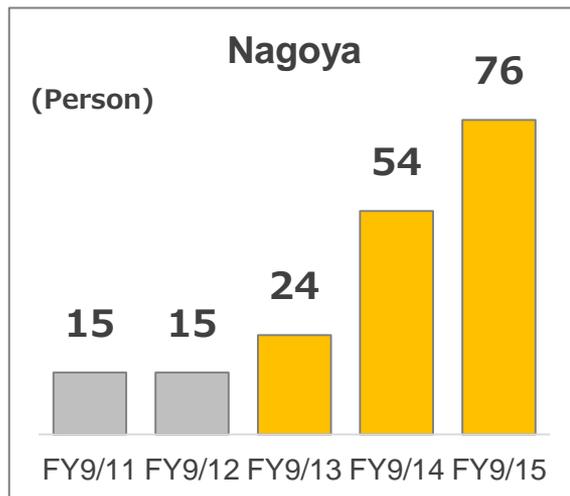
### External environment

- Rapid increase in 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.  
⇒ **Triple the temporary placement workforce at the Osaka and Nagoya offices**

### Operating strategies

1. Continue to negotiate with customers for higher placement fees
2. Further expand sales channels at offices in second-tier cities of Japan
3. Shift workers to jobs with good prospects for overtime hours

Change in No. of engineers by office



# Strategies (7) Recruit More Female Engineers

## Characteristics of female engineer placements

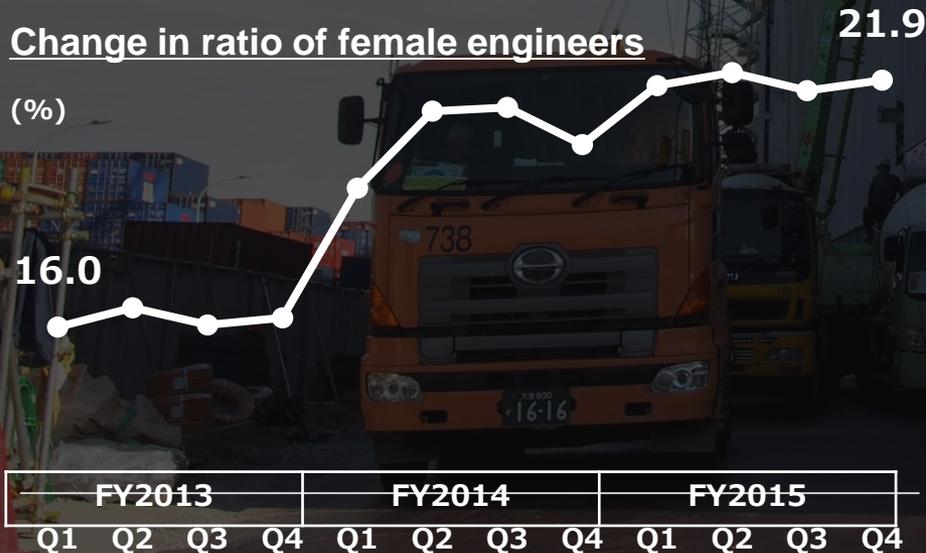
- Women are being used at building construction sites, too.
- Female CAD operators tend to have long assignments of one to two years.

## 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.

## Change in ratio of female engineers

(%)



# Summary of Management Strategies

## 1. No. of staffs at work

- Recruit 2,000 people
- Improve retention rate through continuous monitoring strategies
- Proactively use female engineers

## 2. Operating rate

- Minimize downturn by reducing recruiting in April-June, a quiet period
- Reduce office work ⇒ Maintain high utilization rate by increasing sales efficiency
- Further increase activities of sales offices outside major cities  
⇒ Expand sales channels

## 3. Operating time

- Shift workers to jobs with good prospects for overtime hours when updating contract

## 4. Unit cost of temporary staffing

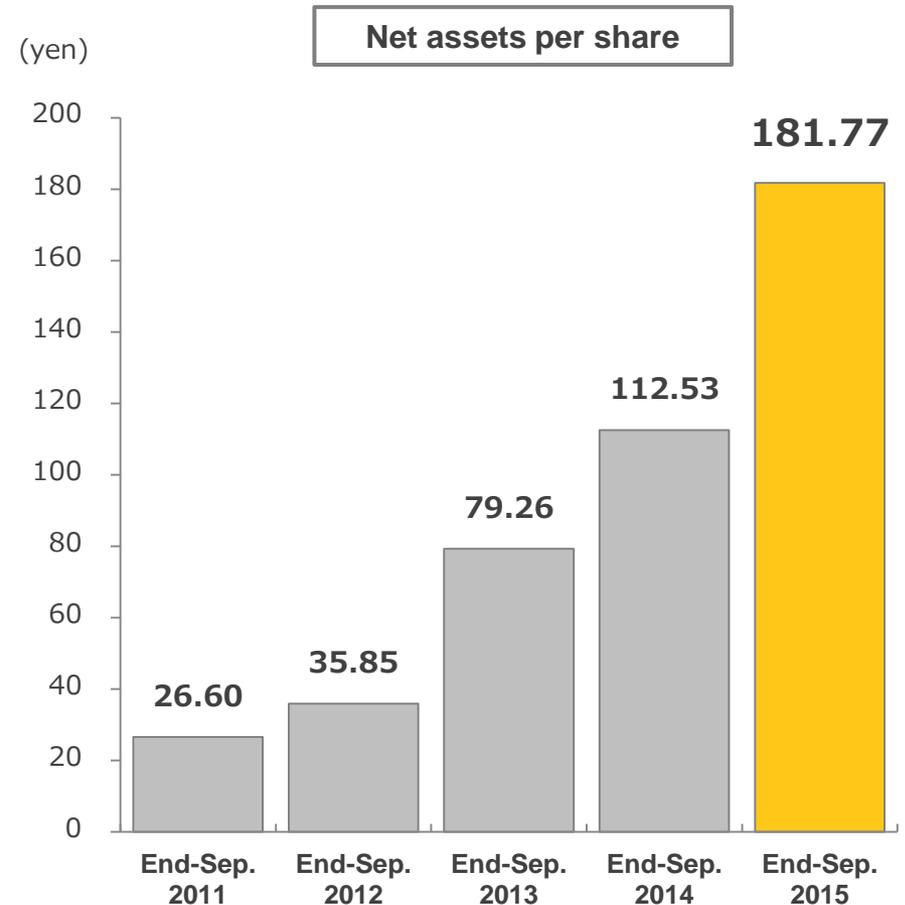
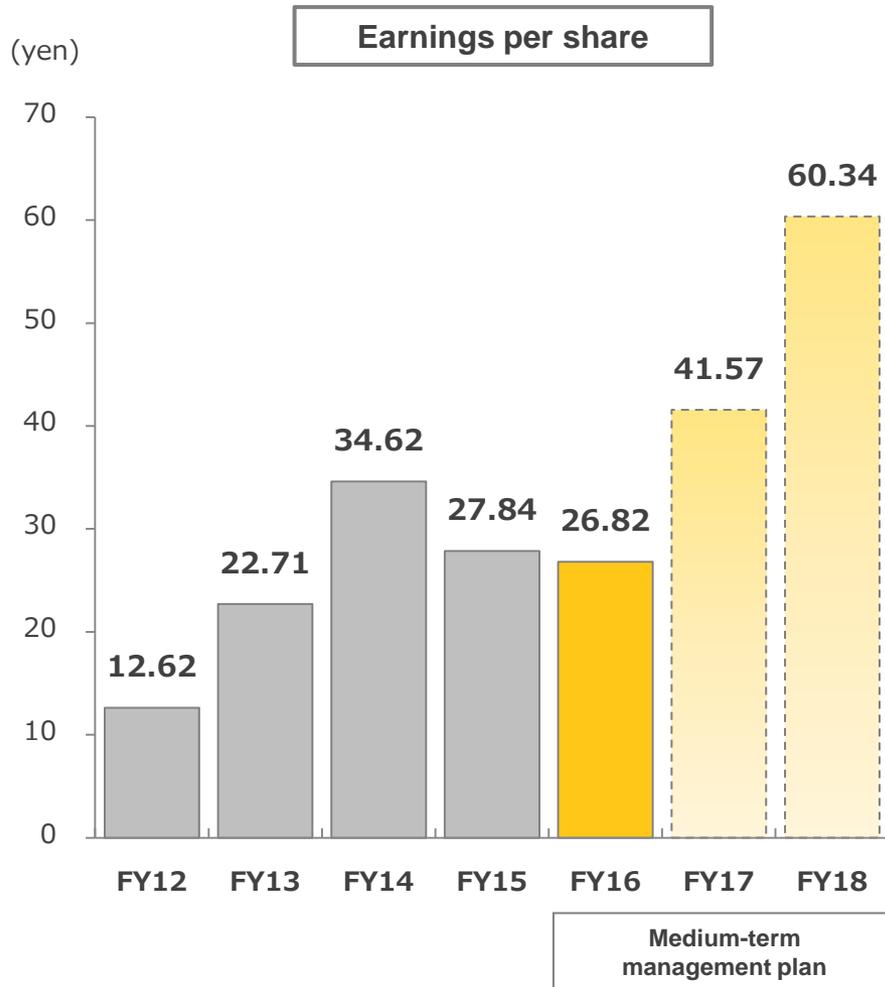
- Increase added value by using constant follow-up training
- Increase price negotiating power by capturing more market share

# Shareholder Return

# Shareholder Return (1)

## Earnings/Net Assets Per Share

- Net income per share ⇒ Increased from FY2017 owing to improvement in income ratio through business reorganization, although it was temporary decreased due to increase in the No. of shares by disposition of treasury stock

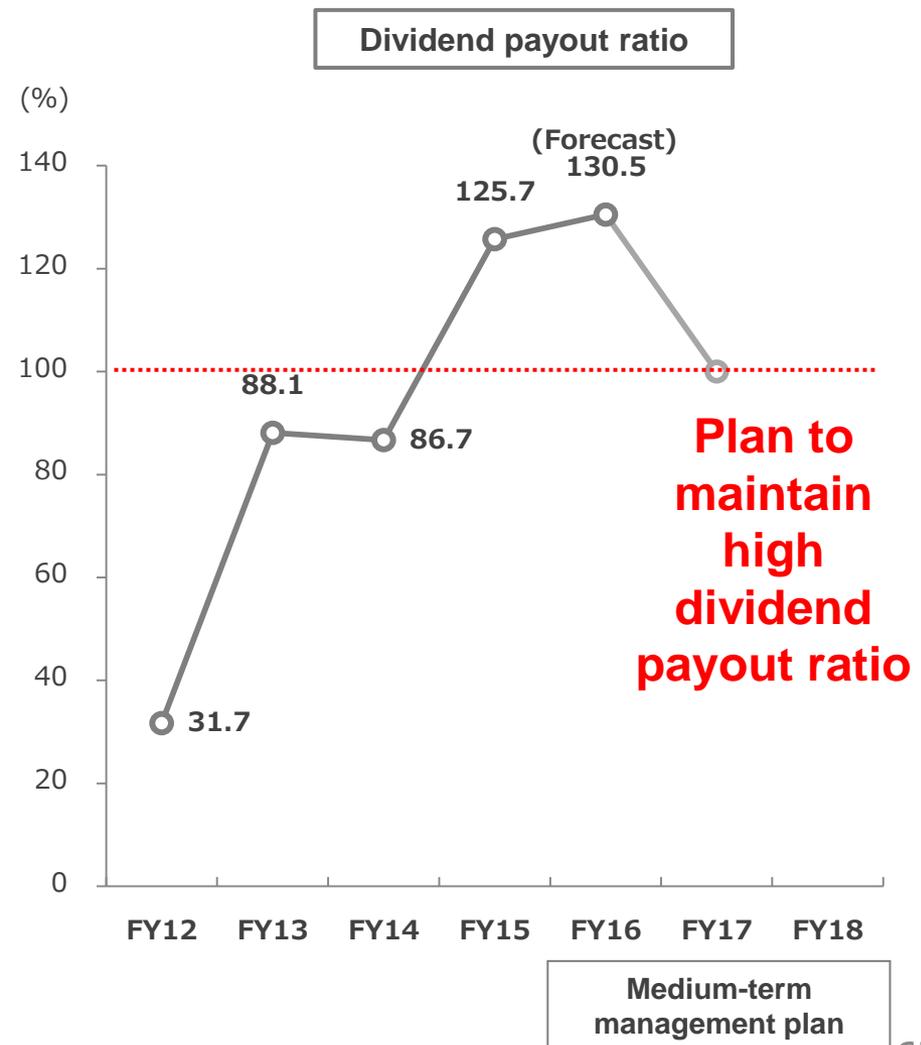
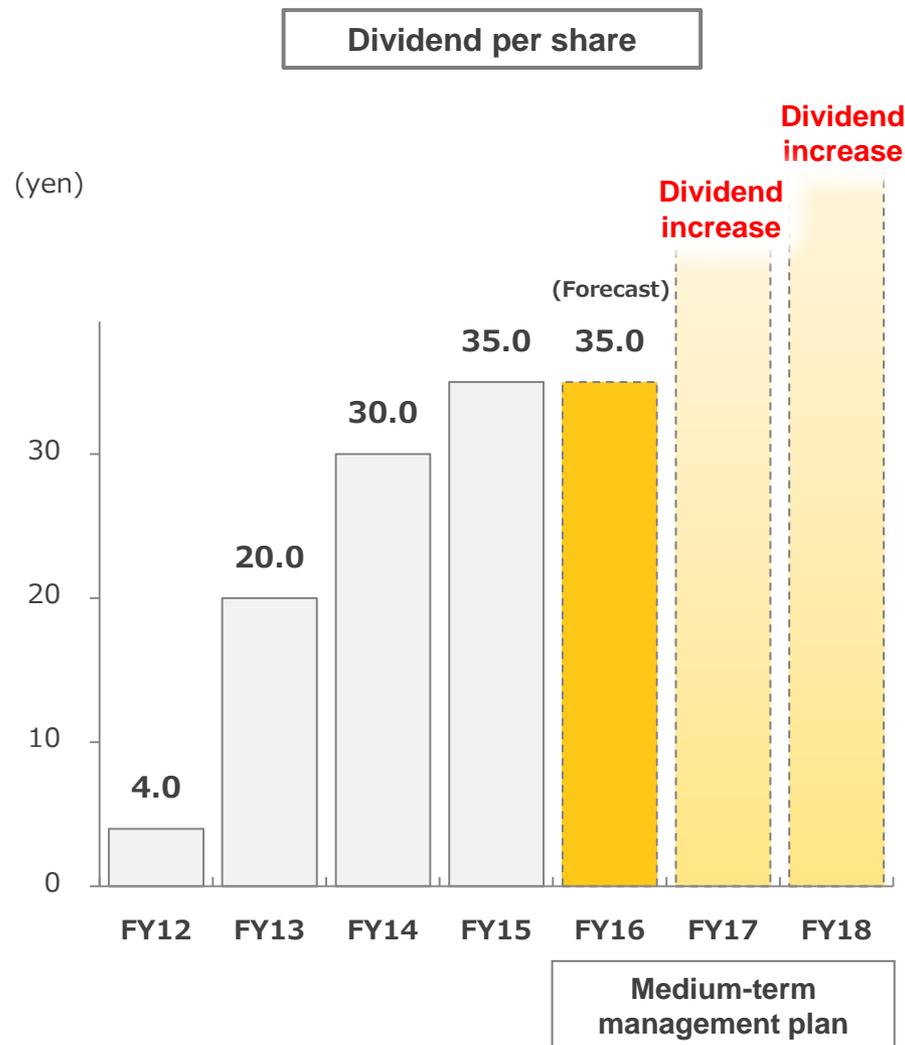


\* 1. Earnings per share = Net income ÷ Average no. of shares during period × 100

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

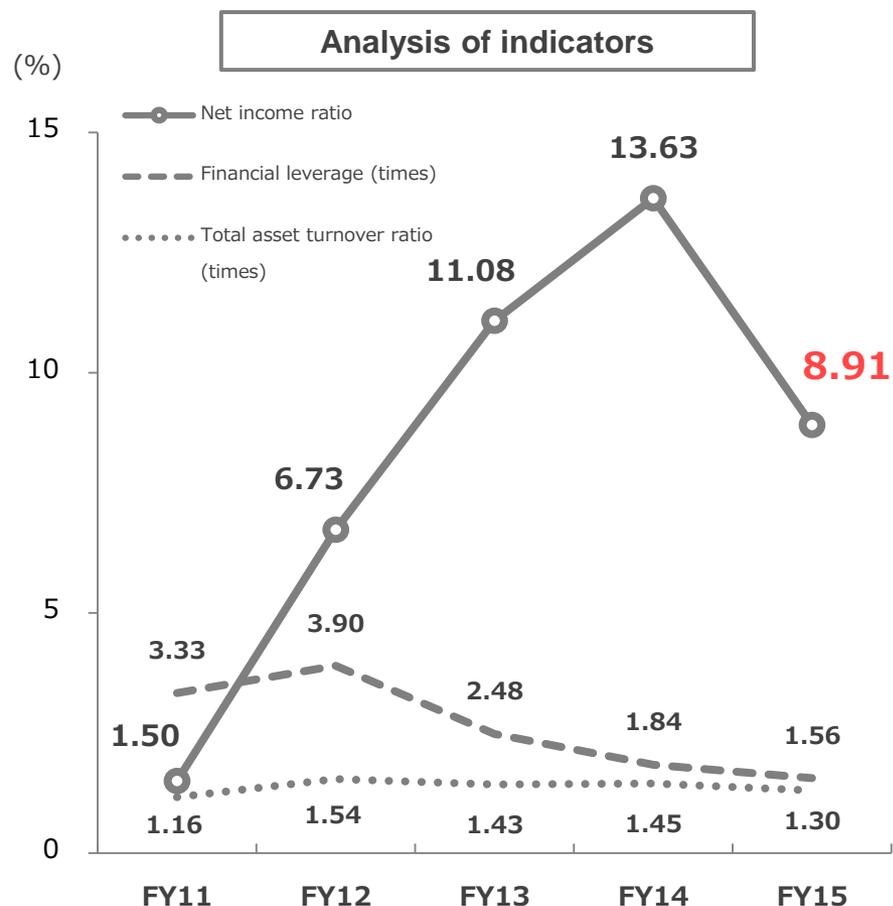
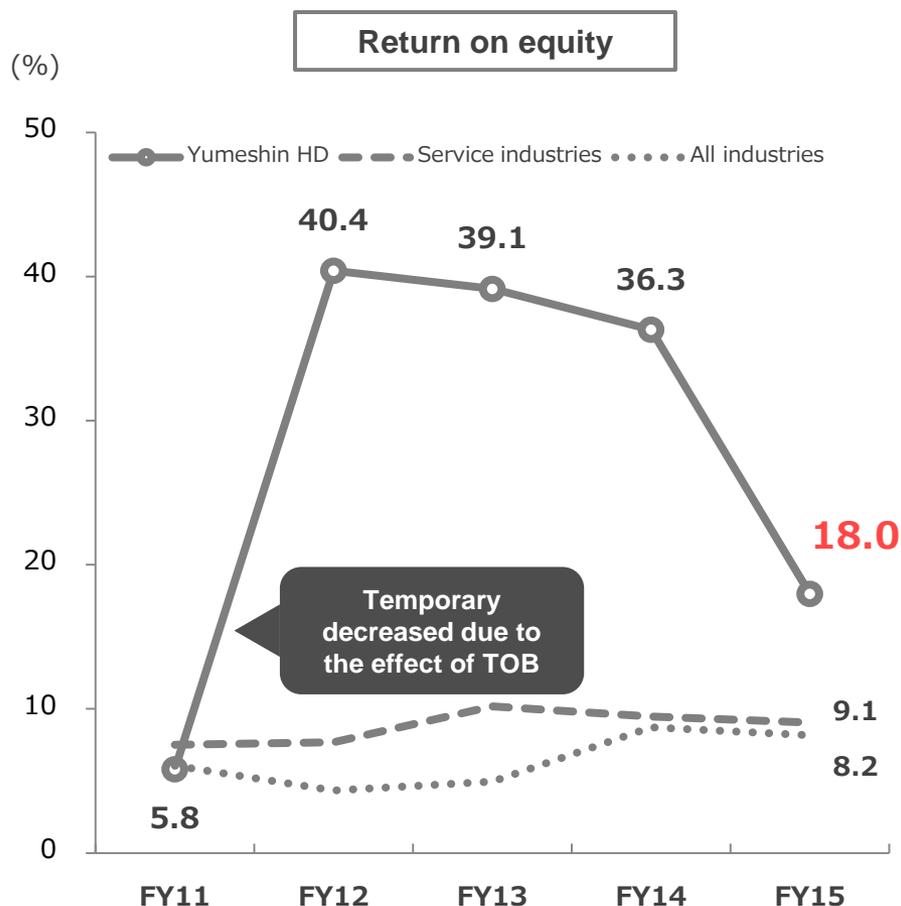
# Shareholder Return (2) Dividend Policy

- Plan to increase dividend every year → Expect over 100% of payout ratio until FY2017, and plan to maintain high payout ratio onward



# Shareholder Return (3) Return on Equity

- ROE decreased because of lower profitability and the sale of treasury stock to procure funds
- Goal is ROE of 30%+ by improving profitability and using acquisitions and other investments to hold down equity



- \* 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 =  $\text{Sales} \times \text{Total assets (avg. during period)}$
- \* 4. All industries and service industry belong to the TSE 1st section

# Stock Information

As of Nov. 10, 2015

<b>PER</b>	<b>24.8x</b>
<b>PBR</b>	<b>3.7x</b>
<b>Dividend yield</b>	<b>5.27%</b>
<b>ROE (FY2015 Actual)</b>	<b>18.0%</b>
<b>Stock price</b>	<b>664yen</b>
<b>EPS (FY2016 E)</b>	<b>26.82yen</b>
<b>BPS (End-Sep. 2015 Actual)</b>	<b>181.77yen</b>
<b>Dividend per share (FY2016 E)</b>	<b>35.0yen</b>

[Reference]

1. Dividend payout ratio = 3<sup>rd</sup> in all listed companies , 3<sup>rd</sup> in JASDAQ
2. Weighted average PER in service industry = 30.7x (STE 1 stocks, as of Oct. 2015)

Source : JAPAN EXCHANGE GROUP website

# Reference



# Reference (1) Medium-Term Management Plan

- Plan to hire more than 2,000 engineers every year
- Goal is maintaining both a high growth rate and a high dividend

(Million yen)

	Results	Medium-Term Management Plan		
	FY2015	FY2016	FY2017	FY2018
<b>Sales</b>	<b>21,115</b>	<b>23,000</b>	<b>31,000</b>	<b>40,000</b>
<b>Net income</b>	<b>1,881</b>	<b>2,000</b>	<b>3,100</b>	<b>4,500</b>

<b>No. of recruits</b>	<b>1,702</b> engineers	<b>2,000</b> engineers	<b>2,300</b> engineers	<b>2,600</b> engineers
<b>No. of engineers at end-FY</b>	<b>2,760</b> engineers	<b>3,500</b> engineers	<b>4,250</b> engineers	<b>5,000</b> engineers

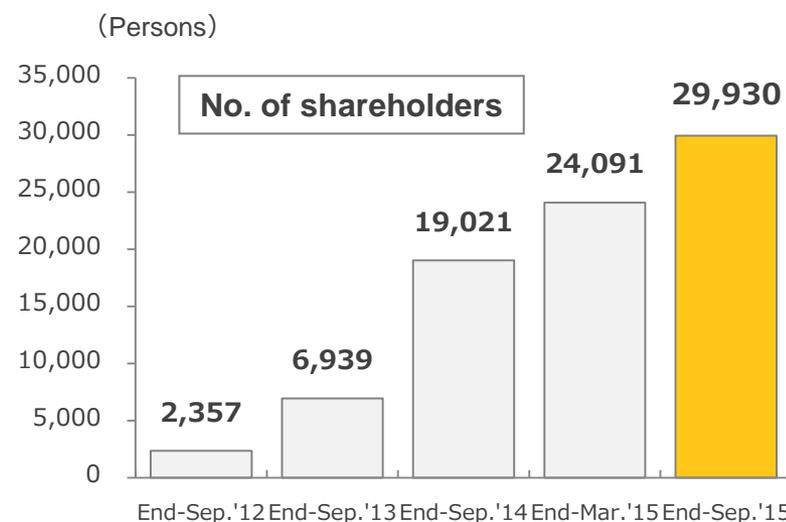
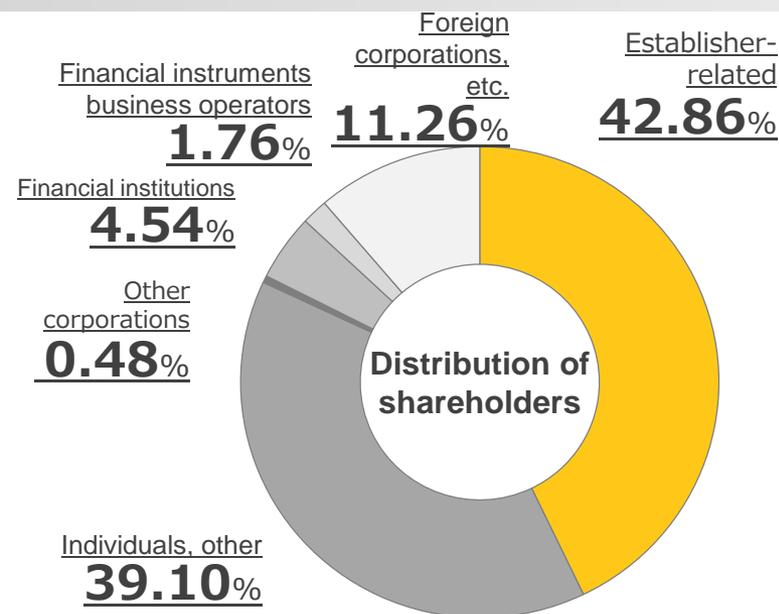
<b>Dividend per share</b>	<b>35.0 yen</b>	<b>35.0 yen</b>	—	—
<b>Dividend payout ratio</b>	<b>125.7%</b>	<b>130.5%</b>	<b>100%</b> (target)	<b>High</b> payout ratio

\* Consolidated-basis

# Reference (2) Shareholders Situation

As of Sep. 30, 2015

	Name of shareholders	No. of shares held (in thousands)	Ownership ratio (%)
1	Shingo Sato	22,385	30.02
2	Sato Sogo Kikaku	7,344	9.85
3	Japan Trustee Services Bank, Ltd.	2,549	3.42
4	Yoshiko Sato	2,228	2.99
5	NORTHERN TRUST CO.	1,363	1.83
6	BANQUE PICTET AND CIE SA	900	1.21
7	Hideki Fukai	880	1.18
8	STATE STREET BANK AND TRUST COMPANY	676	0.91
9	Trust & Custody Services Bank, Ltd.	650	0.87
10	THE BANK OF NEW YORK	543	0.73
<b>Total of top 10 largest shareholders</b>		<b>39,520</b>	<b>53.00</b>



※ Number of shares outstanding=74,573,440 shares

# Executives

**Director**

4 (Outside:1)

**Auditor**

3 (Outside:2)

**Total**

7

**President and Chairman**

**Shingo Sato**

Born on Mar. 14, 1947  
24,385,440shares

**Managing Director  
Executive Secretary**

**Daio Sato**

Born on Nov. 25, 1983 3,500shares

**Director**

**Toyohiko Suzuki**

Born on Jan. 16, 1947

**Outside director**

**Tomohiko Sakamoto**

Born on Dec. 17, 1962  
Sakatomo Law Office (Present post)

**Outside Auditor  
(Independent executive)**

**Hirobumi Takahashi**

Born on Sep.1, 1939 4,000shares

**Auditor**

**Masato Kusuhara**

Born on Jan. 2, 1950 17,000shares

**Outside Auditor  
(Independent executive)**

**Hiroaki Mutsukawa**

Born on Jun. 10, 1963  
OGASAWARA KONNO & ROKUGAWA  
(Present post)

(As of Sep. 30, 2015)

## Disclaimer

These materials were prepared based on information available to the company and on certain assumptions deemed to be reliable but the company makes no guarantees regarding the accuracy of the information in these materials. The information may be incomplete or summarized. The prices and figures stated in these materials are past results, estimates or forecasts and may differ from the actual figures.

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**JASDAQ**

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E-mail: [ir@yumeshin.co.jp](mailto:ir@yumeshin.co.jp)