



YUMESHIN HOLDINGS CO.,LTD.

Fiscal Year Ended **September** 2018

Financial Results

November 22, 2018

September, 2018
Securities code

2362

November 22, 2018

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Business Portfolio

[FY17/Q4]

Business segment	Company name
Construction engineer temporary staffing	Yumeshin Holdings
Engineer temporary staffing	Yume Technology
Education-related	Yume Education Construction qualification promotion center
IT-related	Yume Solutions Galaxy Keepdata
Other	Yume Agent YUMEAGENT PHILIPPINES YUMEAGENT VIETNAM

[FY18/Q4]

Business segment	Company name
Construction engineer temporary staffing	Yumeshin Holdings
Engineer temporary staffing	Yume Technology KRUNGTEP
Other	Yume Agent YUMEAGENT PHILIPPINES YUMEAGENT VIETNAM Yume Education Construction qualification promotion center Yume Solutions

Segment change

Consolidated Financial Overview

TOPIC

1. Consolidated sales

Sales up YoY for 33 consecutive quarters

2. Consolidated operating income

Doubled YoY, highest profit since its founding

3. Construction engineer temporary staffing

**Steady unit price of temporary staffing,
operating income up by 73%**

4. Engineer temporary staffing

**Sales up by 41%, recruitment exceeded 1,000
engineers**

Consolidated Financial Overview

Consolidated P/L Statement

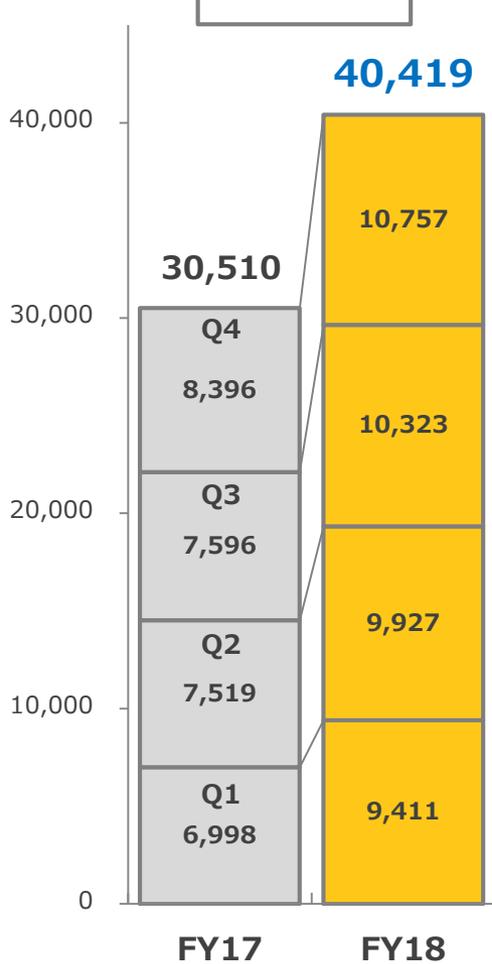
Consolidated P/L (1) Quarterly Trends

- Net sales increased for 33 consecutive quarters thanks to an increase in the number of engineers
- Each profit doubled YoY, as we announced "To make a profit" as a key issue for the current fiscal year

(Million yen)

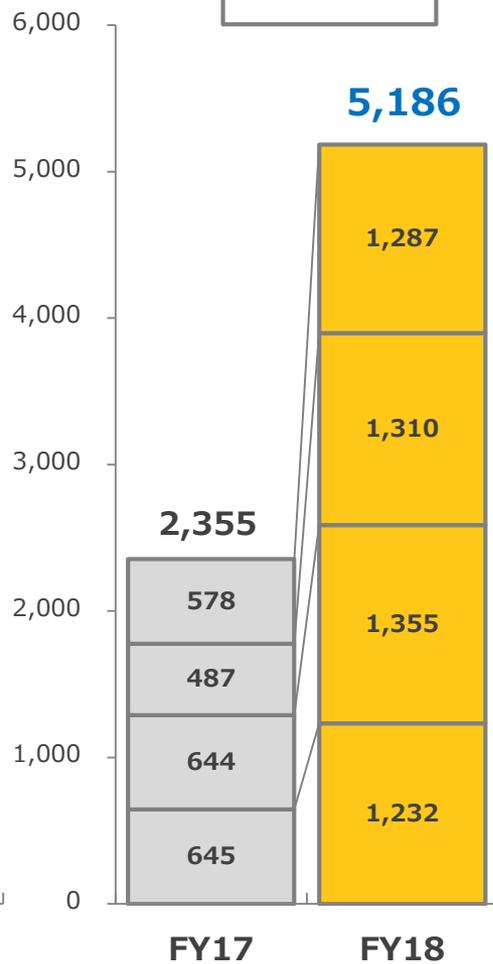
Sales

+32.5%



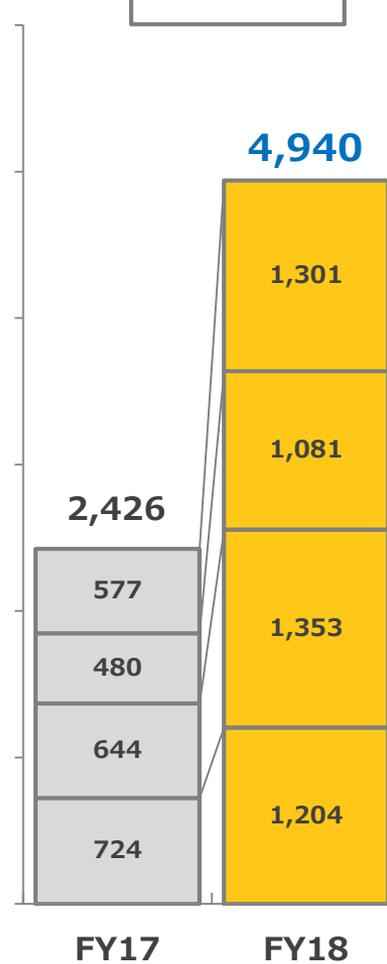
Operating income

+119.6%



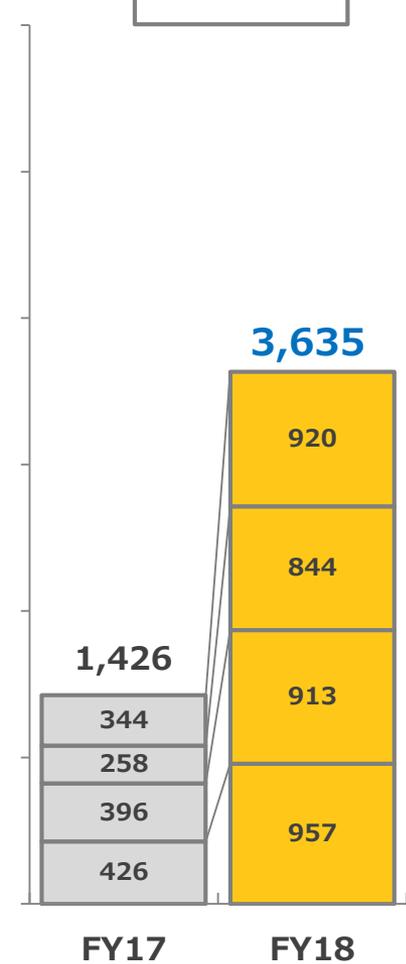
Ordinary income

+103.8%



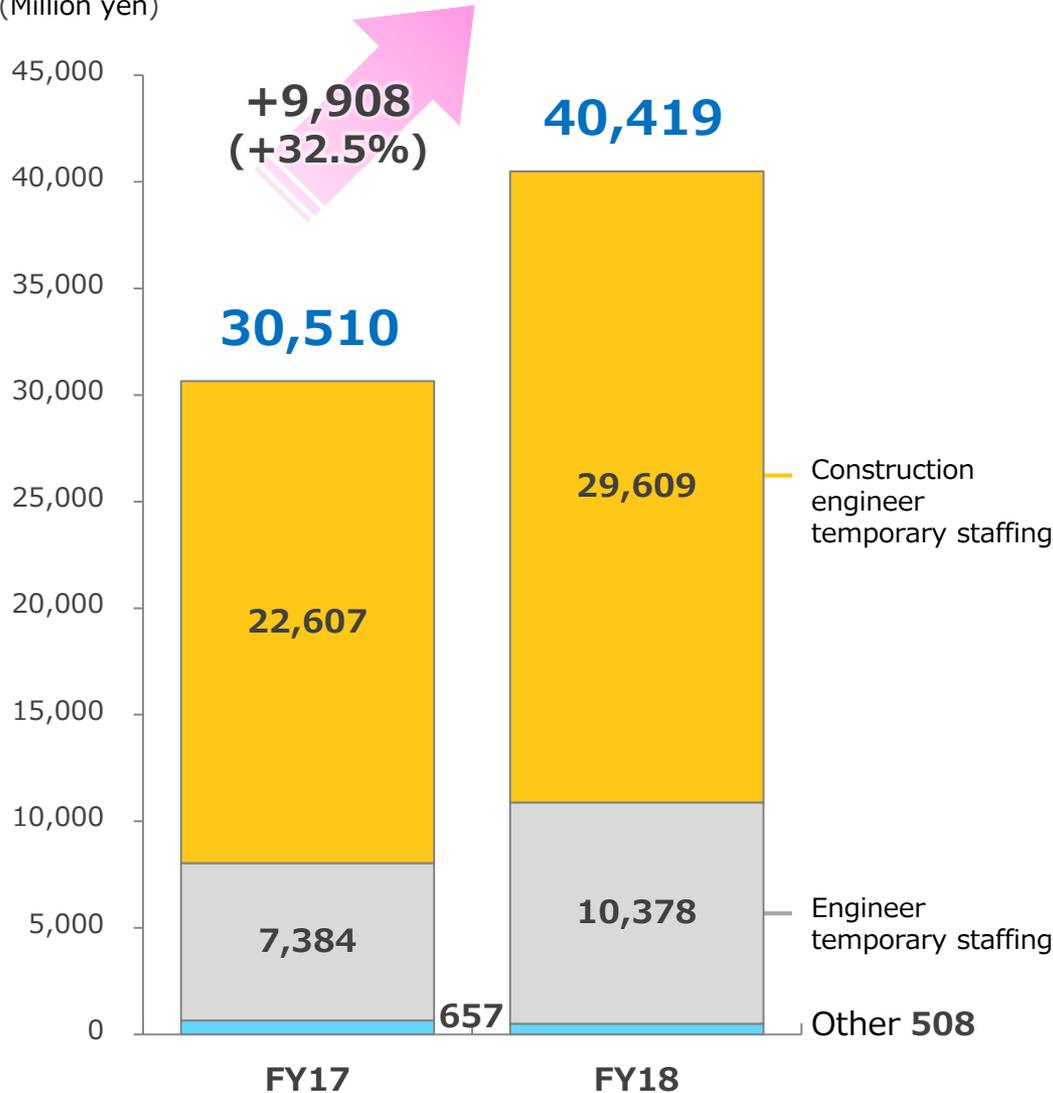
Net income attributable to owners of parent

+154.9%



Consolidated P/L (2) Sales

(Million yen)



- Sales increased by 33% YoY thanks to an increase in the number of construction engineers and IT engineers as well as an increase in their operating rate.

[Major factors for increase/decrease]

Construction engineer temporary staffing	+7,001m (+33.0%)
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- Sales up due to increase in staff at work and unit price of temporary staffing

Engineer temporary staffing	+2,993m (+40.5%)
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- Sales up due to increase in staff at work and unit price of temporary staffing

Other	-144m (-22.1%)
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- Sales down due to withdrawal and downsizing of unprofitable businesses

*Factors for increase/decrease include “+¥40 million in elimination of intercompany transactions other than the above.”

Consolidated P/L (3)

Selling, General and Administrative Expenses

- SG&A expenses slightly increased by 11% due to the effect of recruiting costs control.

(Million yen)

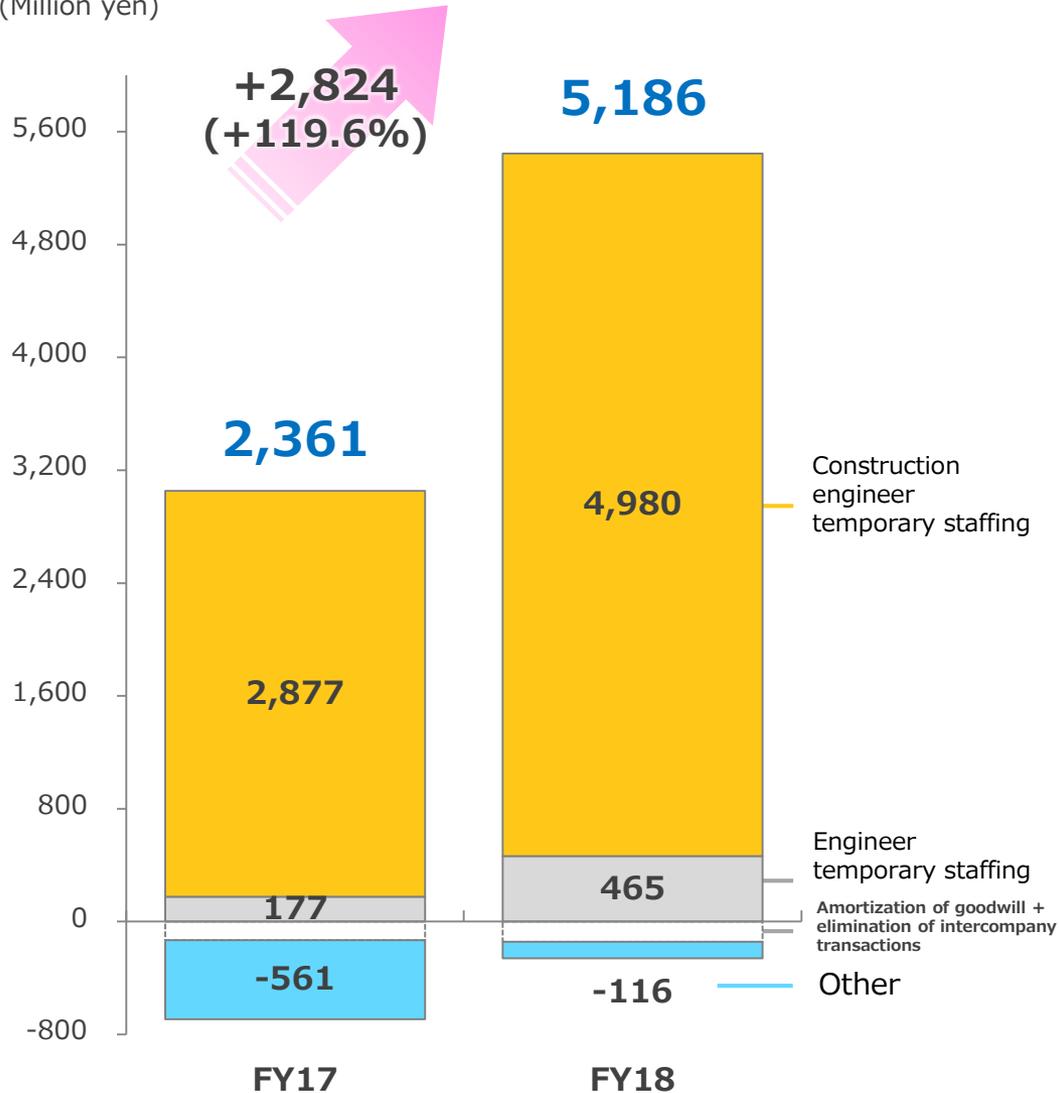
	FY2017	FY2018	Change	Remarks
Cost of sales	21,729	28,080	+6,351	Increased due to increase in engineers
Cost of sales ratio	71.2	69.5	-1.7pt.	
Gross profit	8,780	12,338	+3,557	
Gross profit margin	28.8	30.5	1.7pt.	Improved due to increase in operating rate
SG&A expenses	6,418	7,152	+733	Just a small increase thanks to the low cost operation
Executive compensation	171	155	-15	
Personnel expenses	2,822	3,231	+408	Increased due to increase in sales staffs and Human Resource Management Dept.
Ad expenses	68	57	-11	
Recruiting cost	1,554	1,853	+299	
Rent	411	513	+102	
Outsourcing expenses	318	266	-51	
Amortization of goodwill	218	194	-23	
SG&A expense ratio	21.0%	17.7%	-3.3pt.	

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

Consolidated P/L Statement (4)

Operating Income

(Million yen)



- Profits increased by 119% YoY thanks to strong performance in the engineer staffing and strong progress in liquidating unprofitable businesses.

[Major factors for increase/decrease]

Construction engineer temporary staffing	+2,103m (+73.1%)
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- Income up due to increase in operating rate and unit price of temporary staffing

Engineer temporary staffing	+287m (+161.8%)
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- Income up due to increase in unit price of temporary staffing

Other	+445m (+79.3%)
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- Withdrawal and downsizing of unprofitable businesses
- Strong showing in temporary staffing service for construction and manufacturing industries

*Factors for increase/decrease include "amortization of goodwill -12 million yen in elimination of intercompany transactions" other than the above.

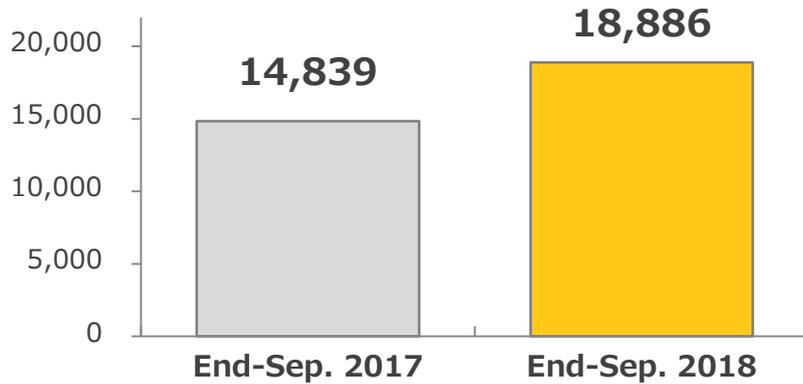
Consolidated Financial Overview

Consolidated B/S

Consolidated B/S

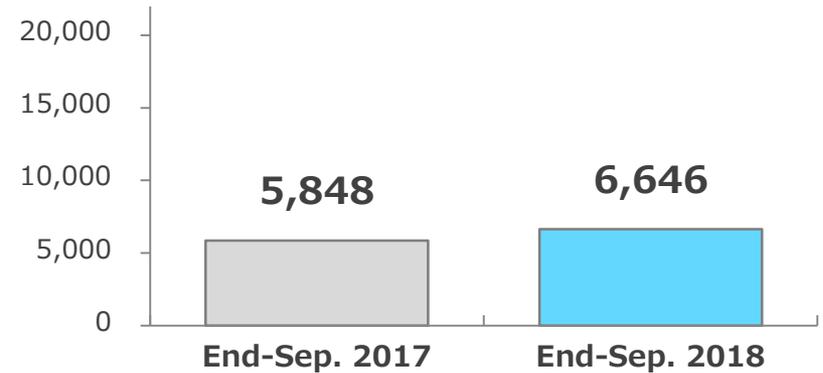
Current assets

(Million yen)



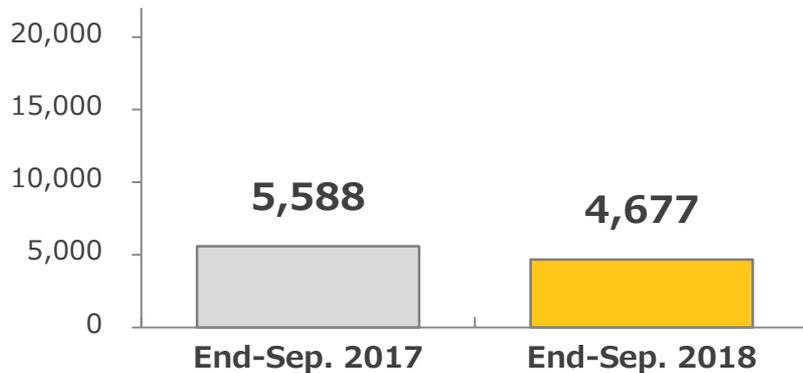
Current liabilities

(Million yen)



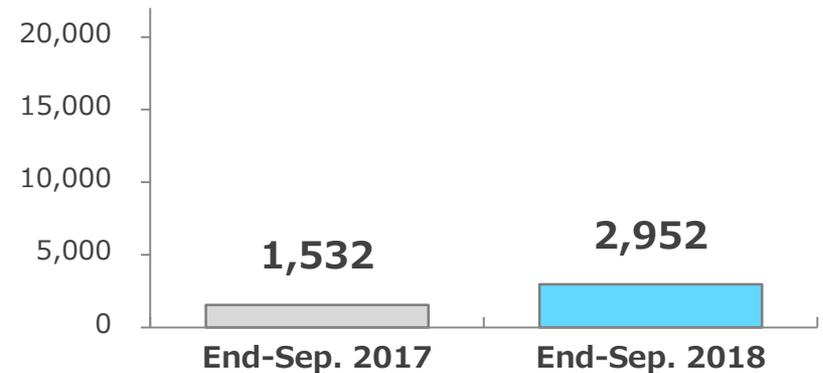
Fixed assets

(Million yen)



Fixed liabilities

(Million yen)



Consolidated B/S (1) Assets

(Million yen)

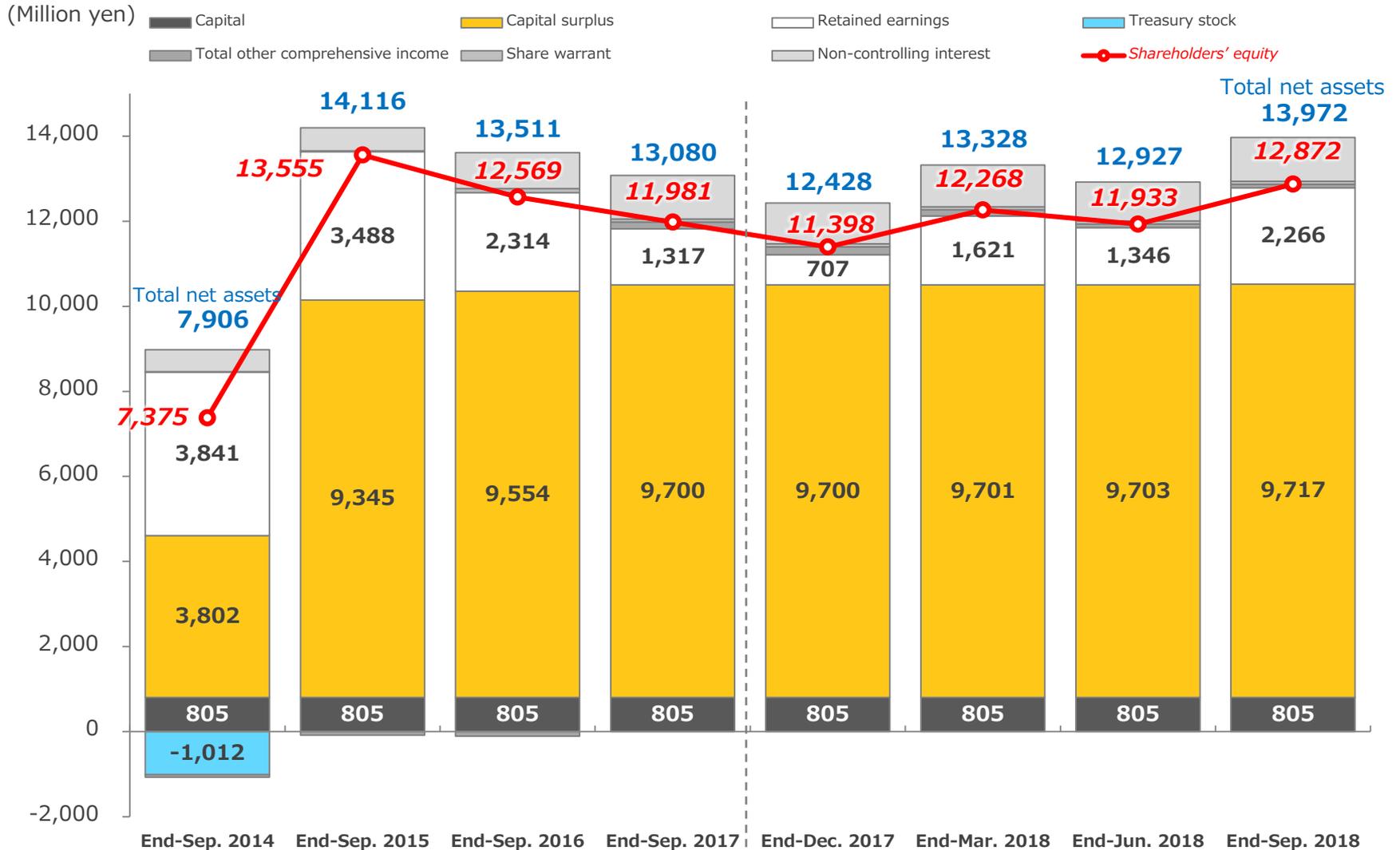
	End-Sep. 2017	End-Sep. 2018	Change	Remarks
Assets	20,491	23,571	+3,110	
Current assets	14,839	18,886	+4,047	
Cash and deposits	8,555	11,300	+2,745	Increased due to increase in net income
Notes and accounts receivable-trade	4,853	5,973	+1,119	Increased due to increase in the companies to which the workers were dispatched
Electronically recorded monetary claims	8	9	+0	
Deferred tax assets	238	363	+125	
Allowance for doubtful accounts	-30	-17	+12	
Fixed assets	5,588	4,677	-910	
Tangible fixed assets	1,080	938	-142	
Buildings and structures	489	435	-54	
Tools, furniture and fixtures	64	91	+26	
Land	505	395	-110	
Intangible fixed assets	1,059	744	-315	
Goodwill	898	610	-288	Decreased due to sale of shares of affiliates
Software	146	120	-26	Decreased due to downsizing of IT-related business
Investments and other assets	3,447	2,995	-452	
Investment securities	2,601	2,052	-549	Decreased due to sale of shares of affiliates
Deferred tax assets	23	81	+58	
Allowance for doubtful accounts	-35	-38	-3	

Consolidated B/S (2) Liabilities and Net Assets

(Million yen)

	End-Sep. 2017	End-Sep. 2018	Change	Remarks
Liabilities + net assets	20,461	23,571	+3,110	
Liabilities	7,380	9,598	+2,218	
Current liabilities	5,848	6,646	+798	
Notes and accounts payable-trade	25	9	-15	
Short-term debt	915	100	-815	
Current portion of long-term debt	817	1,208	+391	
Income taxes payable	653	1,082	+428	
Accrued expenses	1,408	2,025	+617	
Reserve for bonuses	458	634	+176	
Reserve for shareholders' benefits	—	74	+74	Increased due to establishment of shareholder benefits
Fixed liabilities	1,532	2,952	+1,419	
Long-term debt	1,045	2,538	+1,492	Increased due to borrowing of working capital
Loss on retirement benefit	278	306	+28	
Net assets	13,080	13,972	+892	
Shareholders' equity	11,823	12,789	+966	
Capital	805	805	—	
Capital surplus	9,700	9,717	+16	
Retained earnings	1,317	2,266	+949	FY18 Net income - FY17 Year-end dividend - FY18 Interim dividend
Accumulated other comprehensive income	158	82	-75	
Valuation difference on available-for-sale	164	89	-75	
Share warrant	72	72	-0	
Non-controlling interests	1,026	1,027	+1	

Consolidated B/S (3) Shareholders' Equity



*Shareholders' equity = Net assets - Non-controlling interest - Share warrant

FY2018

Segment Overview

Segment Overview

**Construction Engineer
Temporary Staffing**



- 1. Sales increased by double digit figures for 27 consecutive quarters**
- 2. 3% increase in unit price of temporary staffing YoY**
- 3. Retention rate remained at above 70%**

Four Indicators of Sales



Construction Engineer
Temporary Staffing

No. of engineers
×
Operating rate
×
Operating time
×
**Unit price of
temporary staffing**



Sales

Number of Engineers (1) Recruitment



Construction Engineer
Temporary Staffing

- Progress rate was 110.5% to the annual recruitment target at 2,500 engineers

(Unit: persons)

	Oct	Nov	Dec	Jan	Feb	Mar	Oct – Mar total
FY17 recruitment	553			602			1,155
FY18 recruitment	698			673			1,371
Change	+145			+71			+216

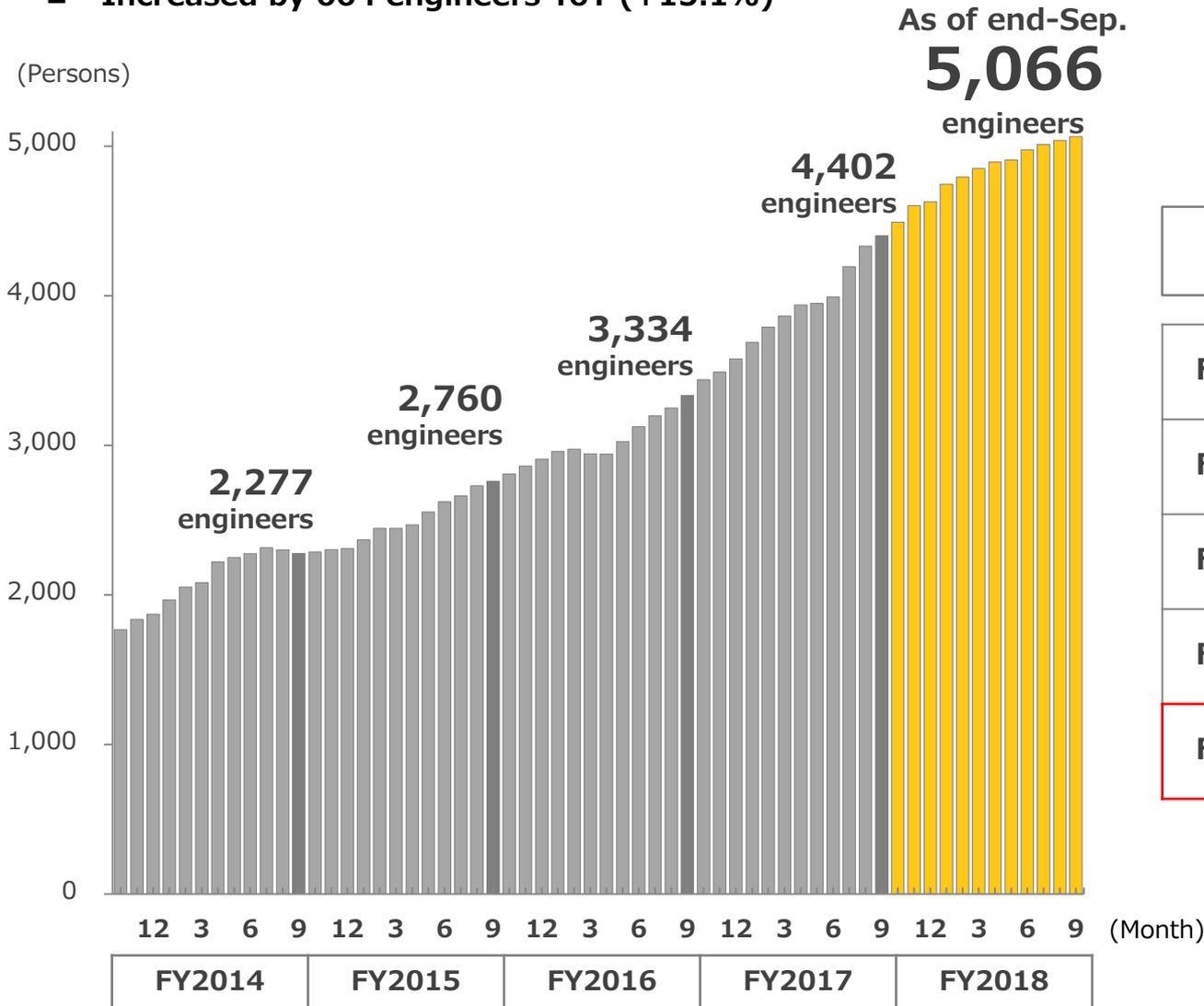
	Apr	May	Jun	Jul	Aug	Sep	Apr – Sep total	Oct – Sep total
FY17 recruitment	710			801			1,511	2,666
FY18 recruitment	716			677			1,393	2,764
Change	+6			-124			-118	+98

Number of Engineers (2)

Changes in the Number of Engineers



- Progress rate was 99.3% to the target number of engineers at 5,100 engineers at the end of period.
- Increased by 664 engineers YoY (+15.1%)



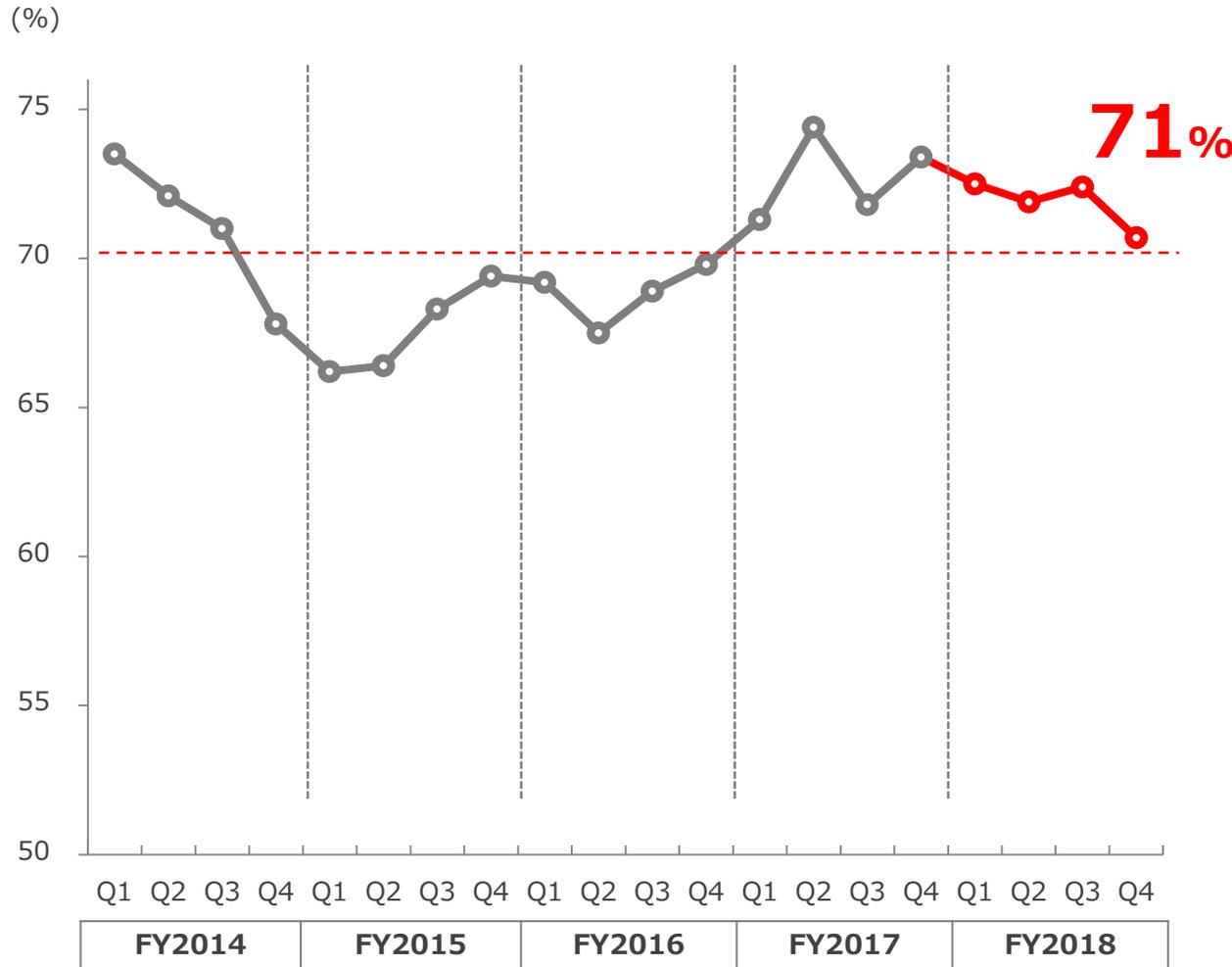
Avg. number of engineers 12-month avg. (Oct – Sep)		
FY2014	2,101人	YoY
FY2015	2,497人	+18.8%
FY2016	3,027人	+21.3%
FY2017	3,889人	+28.5%
FY2018	4,835人	+24.3%

* Number of engineers at the end of month

Number of Engineers (3) Retention Rate



- Aim for more than 70% through constant improvement measures
→ achieved with annual average of 72%



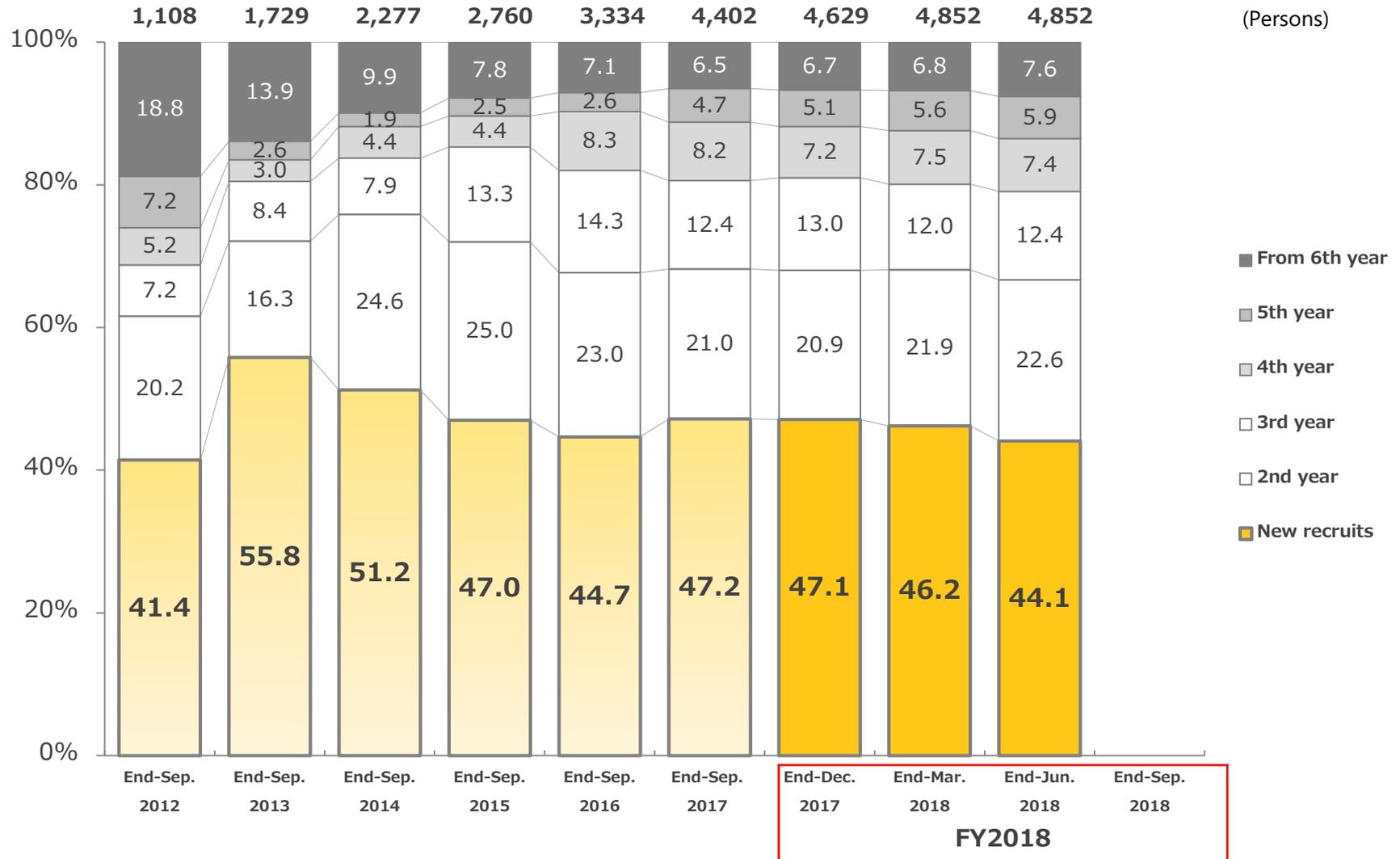
Avg. retention rate 12-month avg. (Oct – Sep)		
FY2014	71.1%	YoY
FY2015	67.6%	-3.5pt.
FY2016	68.9%	+1.3pt.
FY2017	72.7%	+3.9pt.
FY2018	71.9%	-0.8pt.

*Retention rate = No. of engineers at the time of calculation / (No. of engineers a year ago + New hires during the year) x 100

Number of Engineers (4) Ratio by Length of Service



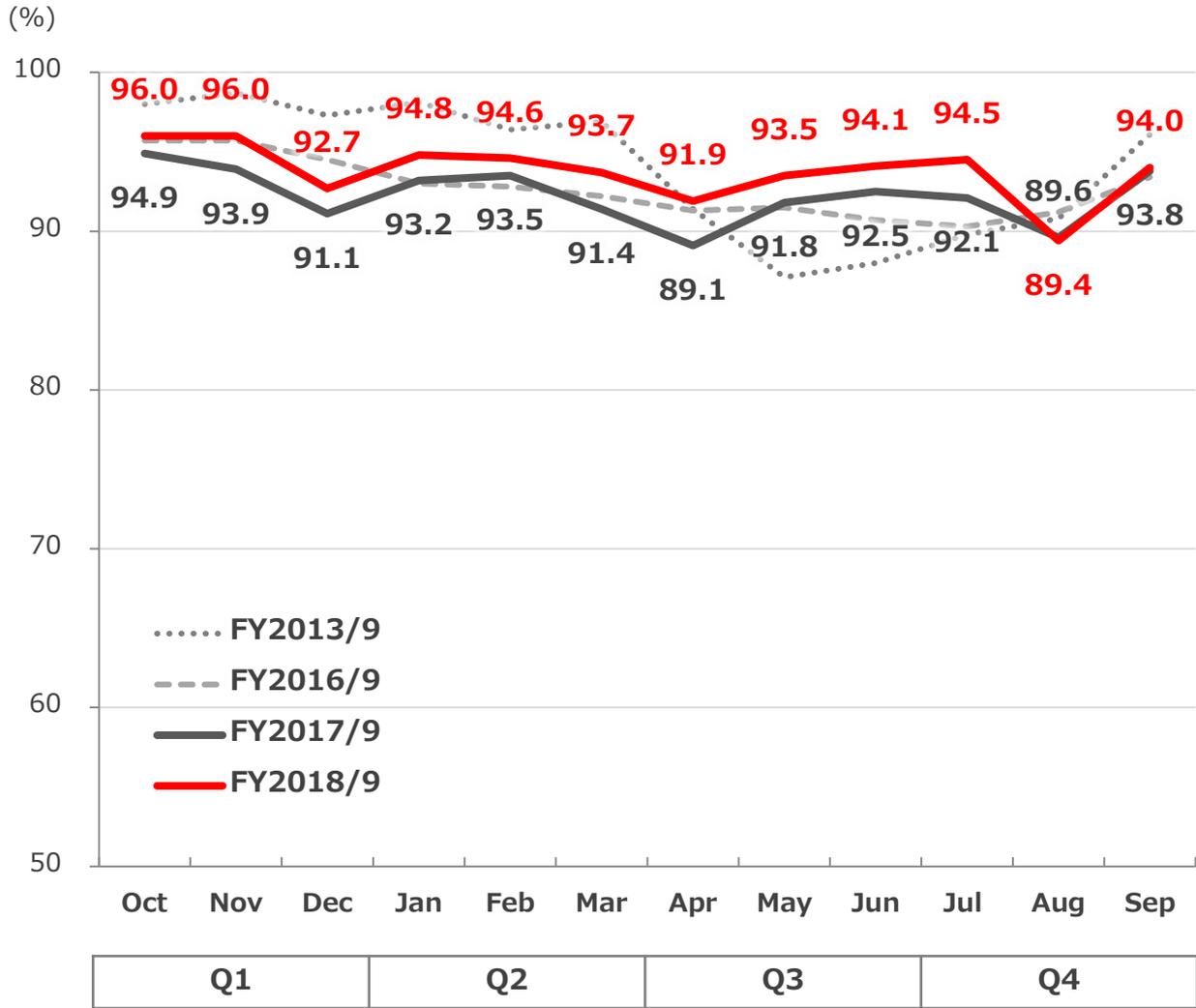
- Ratio of newly hired employees is expected to decrease on the assumption that the number of annual recruitment remains the same as in the previous period



Operating Rate



■ Operating rate increased as a result of effective training and active sales promotion despite an increase in the number of recruits



Avg. operating rate
12-month avg. (Oct - Sep)

FY2013	94.1%	YoY
FY2016	92.7%	-1.9pt.
FY2017	92.2%	-0.4pt.
FY2018	93.8%	+1.5pt.

Operating Time



- Operating time continues to decline as a result of “working style reforms” and other measures to raise awareness of the importance of labor management
- Operating time for engineers excluding new employees increased by 0.3% YoY, the first increase in 12 quarters

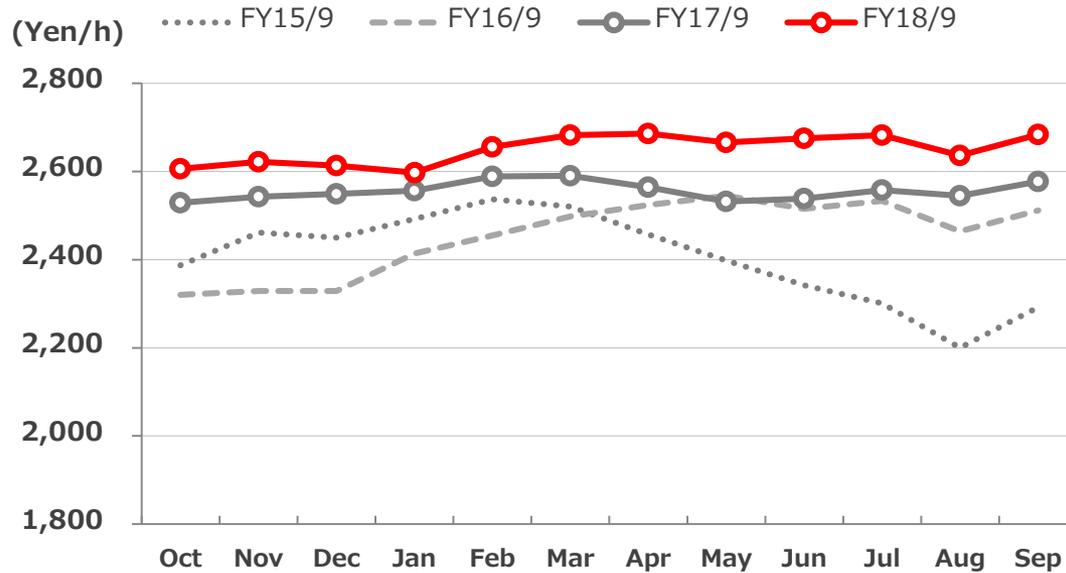


Avg. operating time of all engineers
12-month avg. (Oct – Sep)

FY2014	9.80h	YoY
FY2015	9.79h	-0.1%
FY2016	9.70h	-0.9%
FY2017	9.61h	-1.0%
FY2018	9.57h	-0.4%

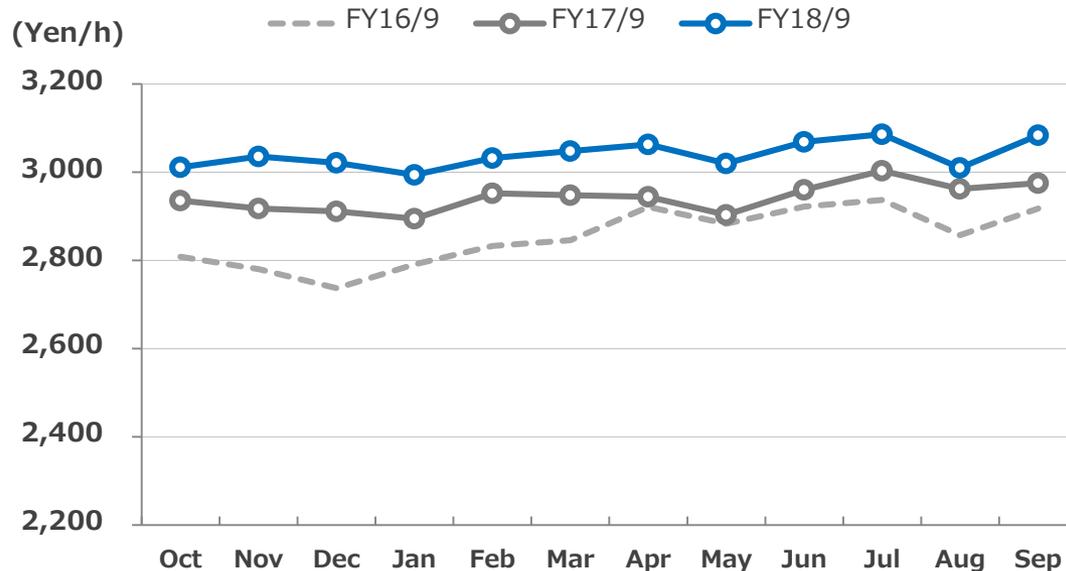
Unit Price of Temporary Staffing (1)

Changes in New Recruits and 2nd Year



New recruits only 12-month avg. (Oct – Sep)

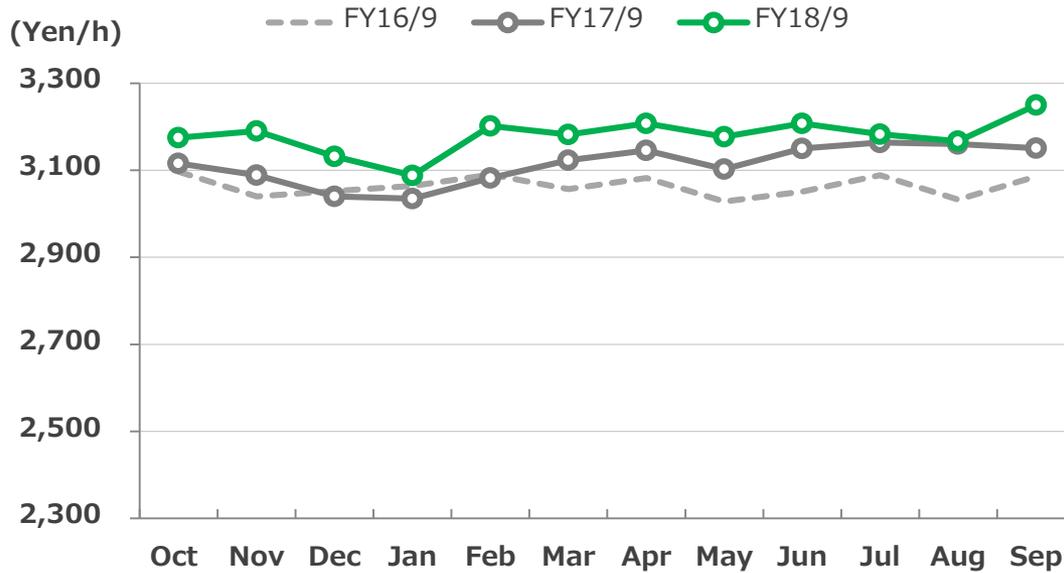
Fiscal Year	12-month avg. (Oct – Sep)	YoY
FY2015	2,403	
FY2016	2,453	+2.1%
FY2017	2,556	+4.2%
FY2018	2,650	+3.7%



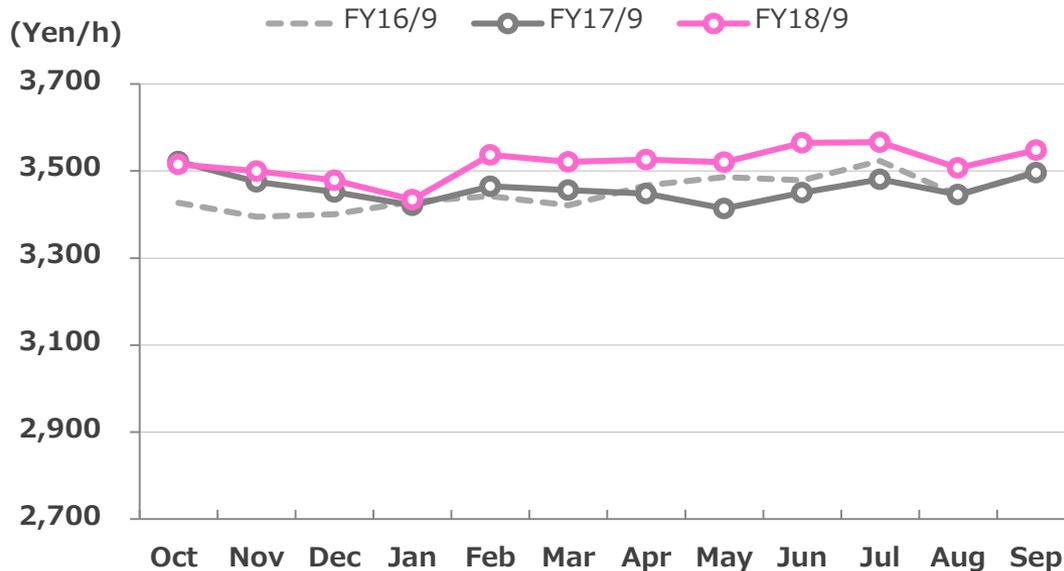
2nd year only 12-month avg. (Oct – Sep)

Fiscal Year	12-month avg. (Oct – Sep)	YoY
FY2016	2,853	
FY2017	2,942	+3.1%
FY2018	3,040	+3.3%

Unit Price of Temporary Staffing (2) Changes from the 3rd and 4th Year and Over



3rd year only 12-month avg. (Oct - Sep)		
FY2016	3,064	YoY
FY2017	3,113	+1.6%
FY2018	3,180	+2.1%



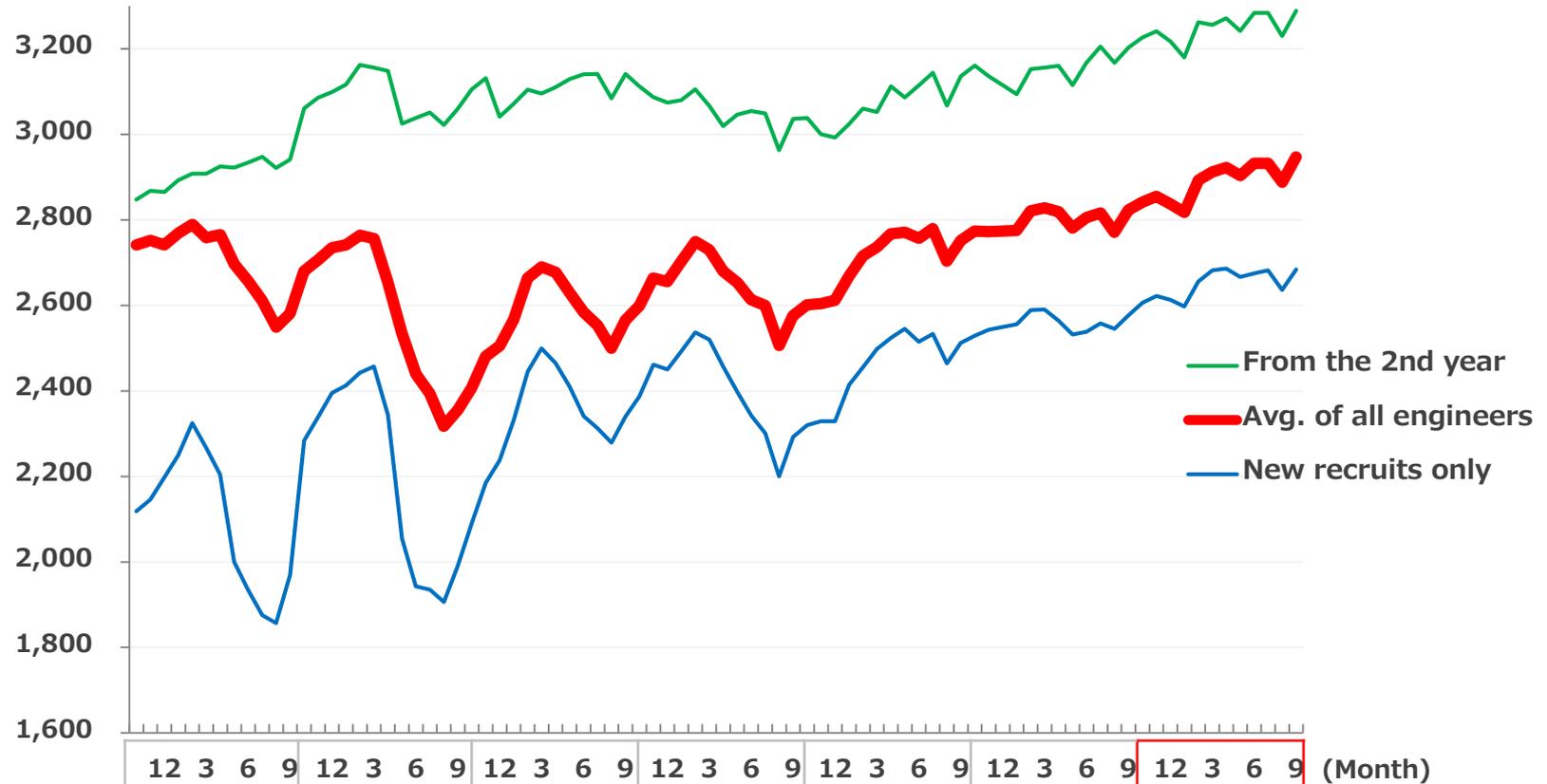
From the 4th year 12-month avg. (Oct - Sep)		
FY2016	3,451	YoY
FY2017	3,461	+0.3%
FY2018	3,518	+1.7%

Unit Price of Temporary Staffing (3) Interim Changes



- Continue to rise after FY2015 supported by robust demand
- Higher unit prices for newly hired engineers, which account for a high percentage of total staff, contributed significantly to higher profit margins

(Yen/h)



	12	3	6	9	12	3	6	9	12	3	6	9	12	3	6	9	(Month)											
	FY2011				FY2013				FY2014				FY2015				FY2016				FY2017				FY2018			
Avg. on a company-wide basis (Q1-Q4)	¥2,701				¥2,590				¥2,569				¥2,644				¥2,706				¥2,797				¥2,890			
YoY					-4.1%				-0.8%				+2.9%				+2.3%				+3.4%				+3.3%			

KPI Summary



Construction Engineer
Temporary Staffing

- Steady growth in the number of engineers, operating rate, and unit price of temporary staffing
- In particular, the number of engineers was favorable as the number of recruits and retention rate were steady.

All engineers 12-month avg. (Oct – Sep)

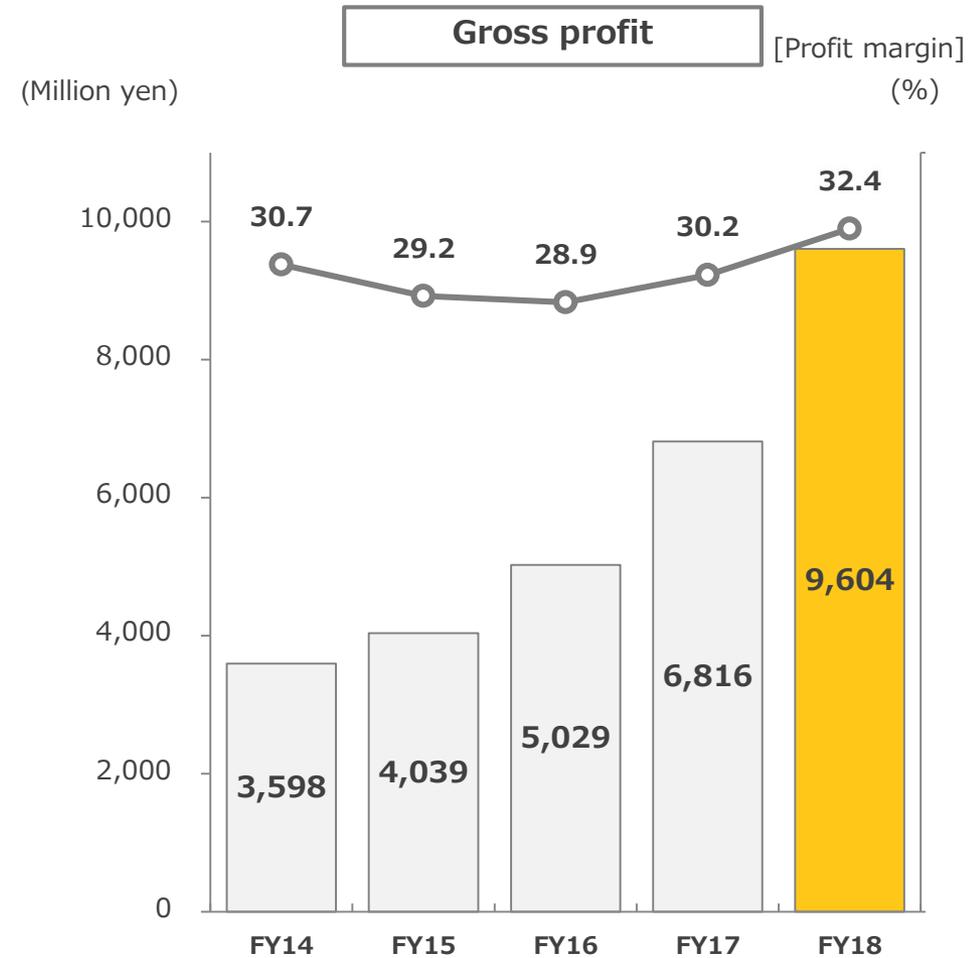
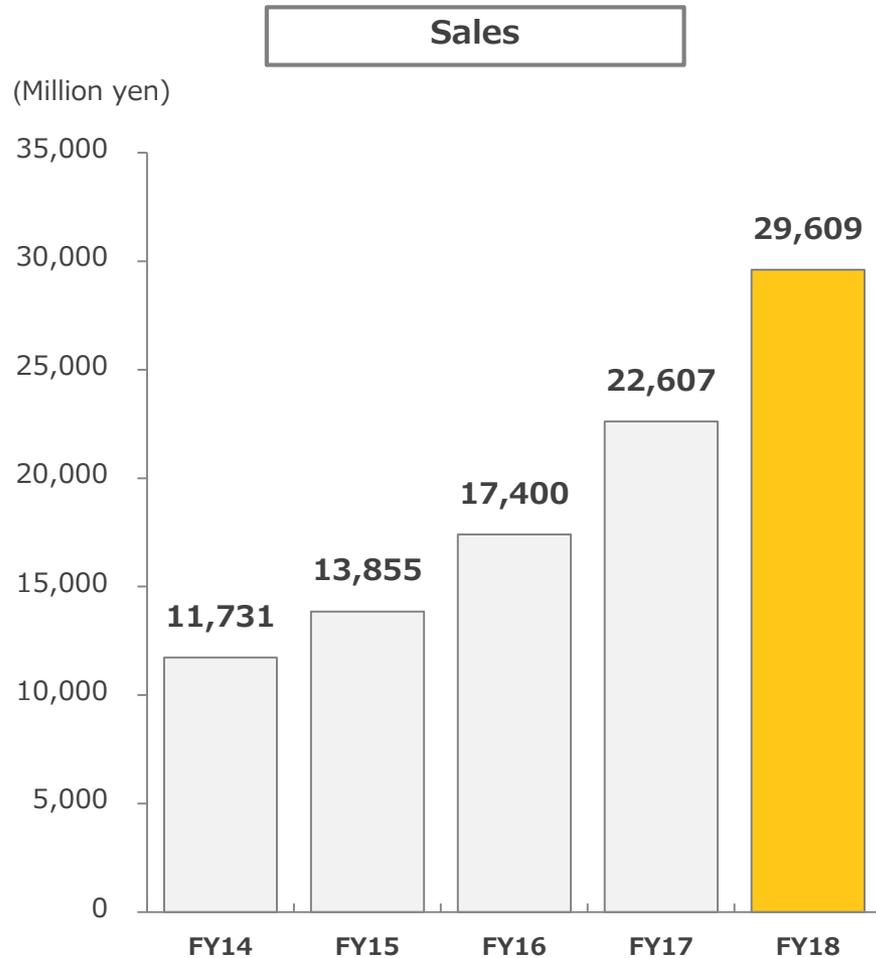
	FY2017	FY2018	Change	Pct. change
No. of engineers	3,889 engineers	4,835 engineers	+946 engineers	+24.3%
Operating rate	92.2%	93.8%	+1.6pt.	—
Operating time	9.61h	9.57h	-0.04h	-0.4%
Unit price of temporary staffing	2,797yen	2,890yen	+93yen	+3.3%

Non-consolidated P/L Statement (1)

Sales and Gross Profit



- Sales ⇒ up by 31% YoY for 33 consecutive quarters due to active recruitment and high retention rate
- Gross profit ⇒ up by 41% due to increases in unit price of temporary staffing and operating rate resulting in 2.2 percentage point improvement in profit ratio

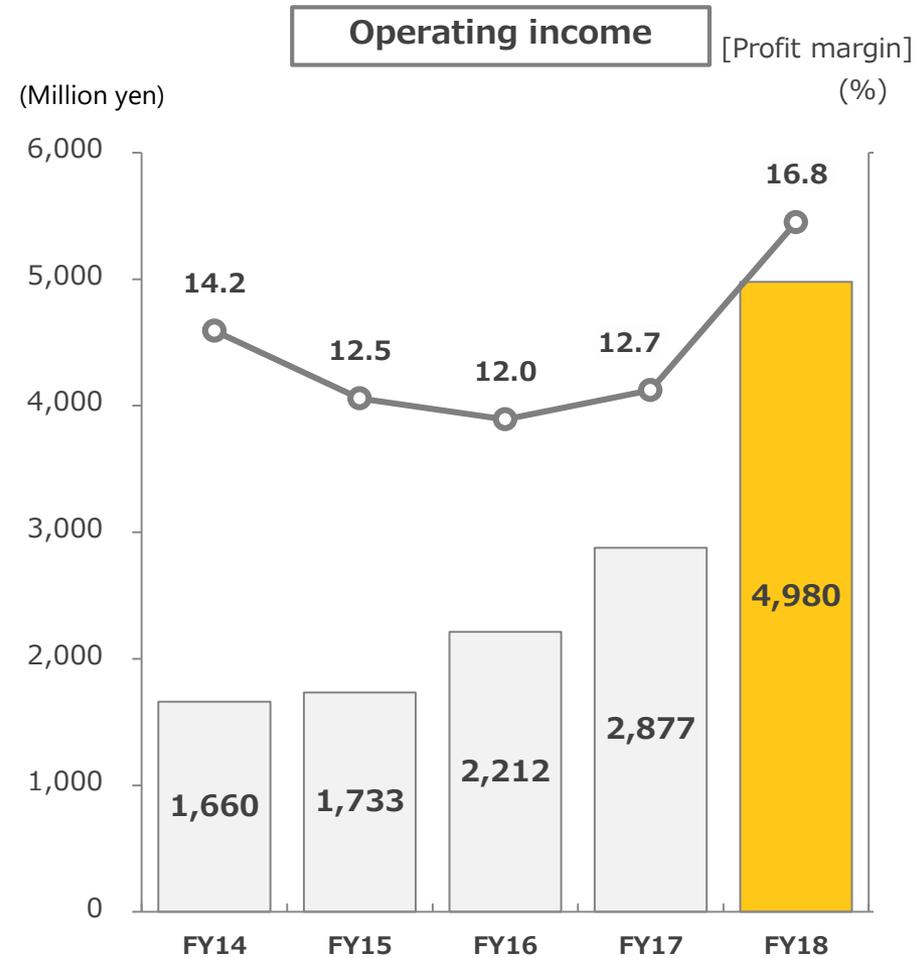
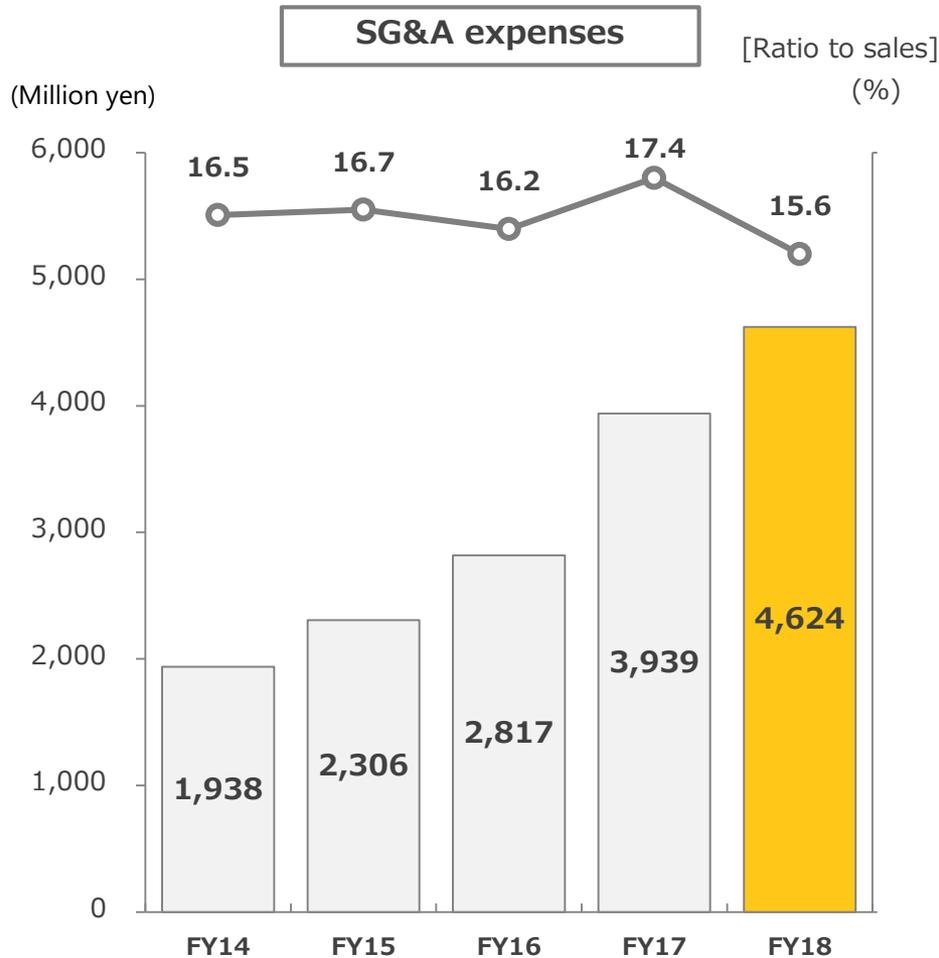


Non-consolidated P/L Statement (2)

SG&A Expenses and Operating Income



- SG&A expenses ⇒ only slightly increased due to a decline in recruiting cost despite increased personnel expenses resulting in 17% increase
- Operating income ⇒ increased significantly by 73% due to an increase in gross profit which led to a slight increase in SG&A expenses



Summary of Non-consolidated P/L Statement



Construction Engineer
Temporary Staffing

(Million yen)

	FY2017	FY2018	Change	Pct. change
Sales	22,607	29,609	+7,001	31.0%
Gross profit	6,816 (30.2%)	9,604 (32.4%)	+2,788	40.9%
SG&A expenses	3,939 (17.4%)	4,624 (15.6%)	+685	17.4%
Operating income	2,877 (12.7%)	4,980 (16.8%)	+2,103	73.1%
Ordinary income	3,196 (14.1%)	5,126 (17.3%)	+1,929	60.4%
Net income	1,837 (8.1%)	3,367 (11.4%)	+1,530	83.3%

* () = Ratio to sales

Engineer Temporary Staffing

Recruitment



- Achieved 93.2% against an annual recruitment plan of 1,200 engineers
- Recruitment includes 666 females (60%) and 80 foreigners (7%)

(Unit: persons)

	Oct	Nov	Dec	Jan	Feb	Mar	Oct – Mar total
FY17 recruitment		107			242		349
FY18 recruitment		159			270		429
YoY		+52			+28		+80

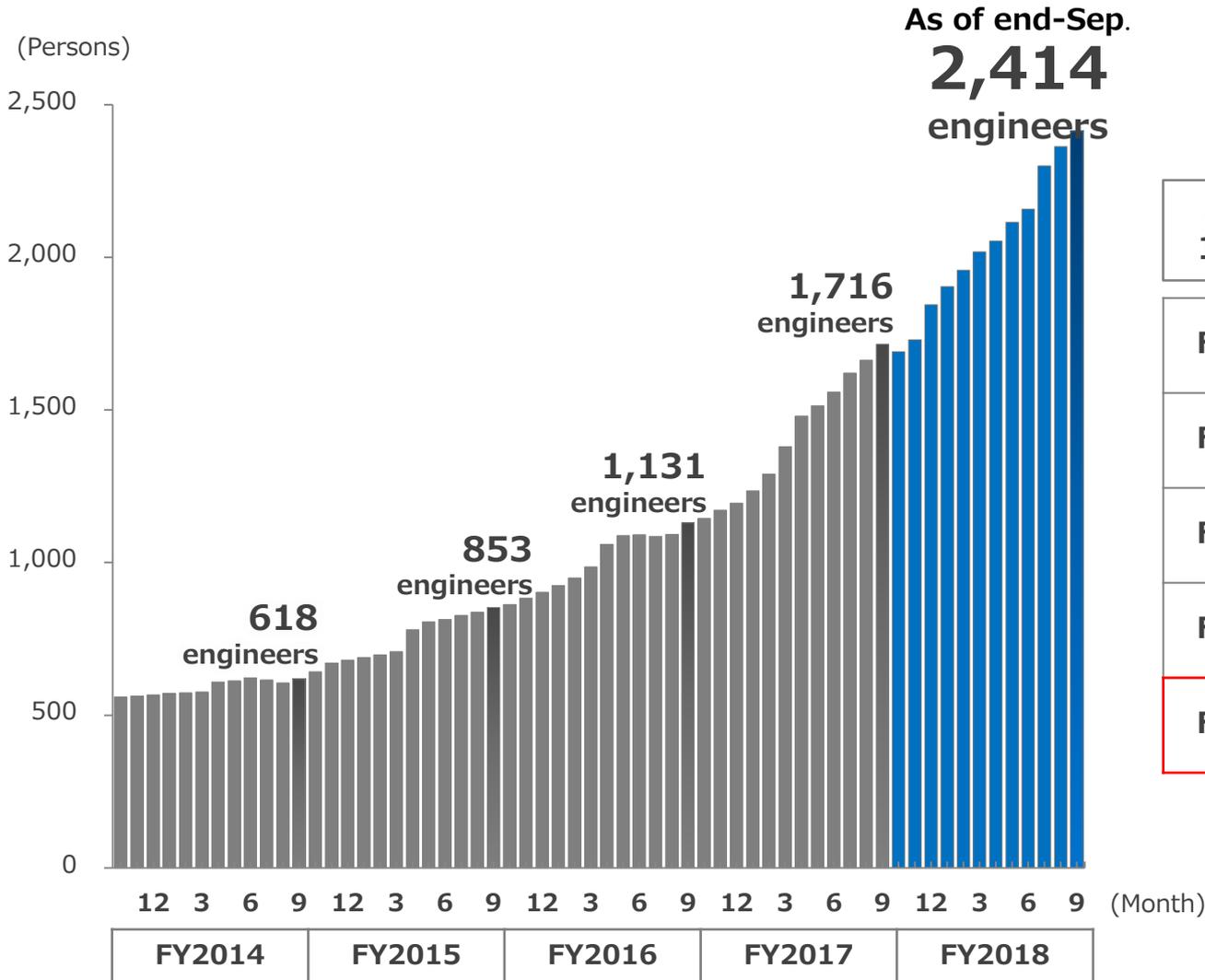
	Apr	May	Jun	Jul	Aug	Sep	Apr – Sep total	Oct – Sep total
FY17 recruitment		306			286		592	941
FY18 recruitment		303			386		689	1,118
YoY		-3			+100		+97	+177

Changes in the Number of Engineers



Engineer Temporary Staffing

■ Increased by 698 engineers YoY (+40.7%)



Avg. number of engineers
12-month avg. (Oct – Sep)

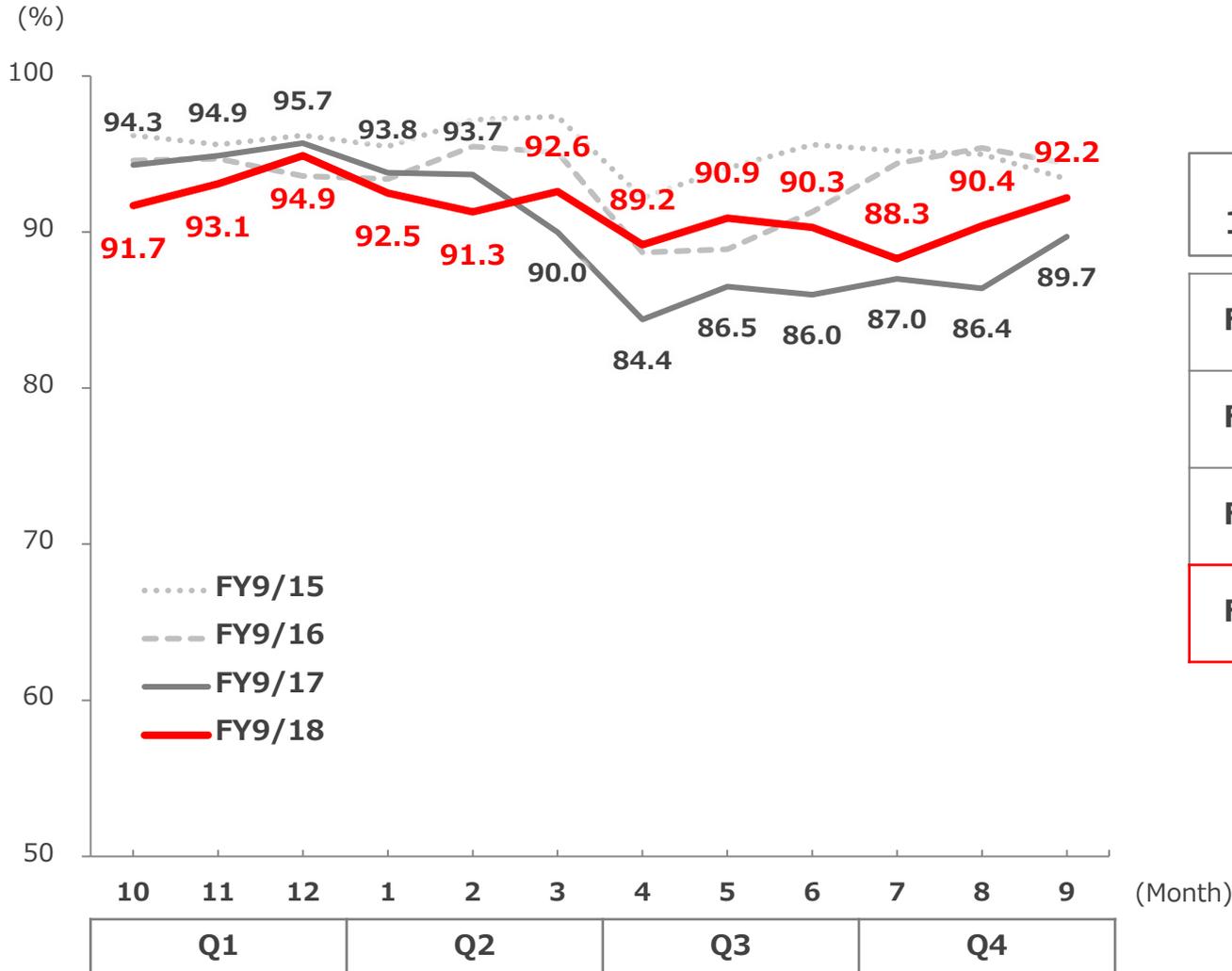
FY2014	591 engineers	YoY
FY2015	751 engineers	+27.0%
FY2016	1,005 engineers	+33.9%
FY2017	1,414 engineers	+40.7%
FY2018	2,046 engineers	+44.7%

*No. of engineers at the end of the month

Changes in Operating Rate



■ Increased as a result of increased recruitment due to aggressive investment

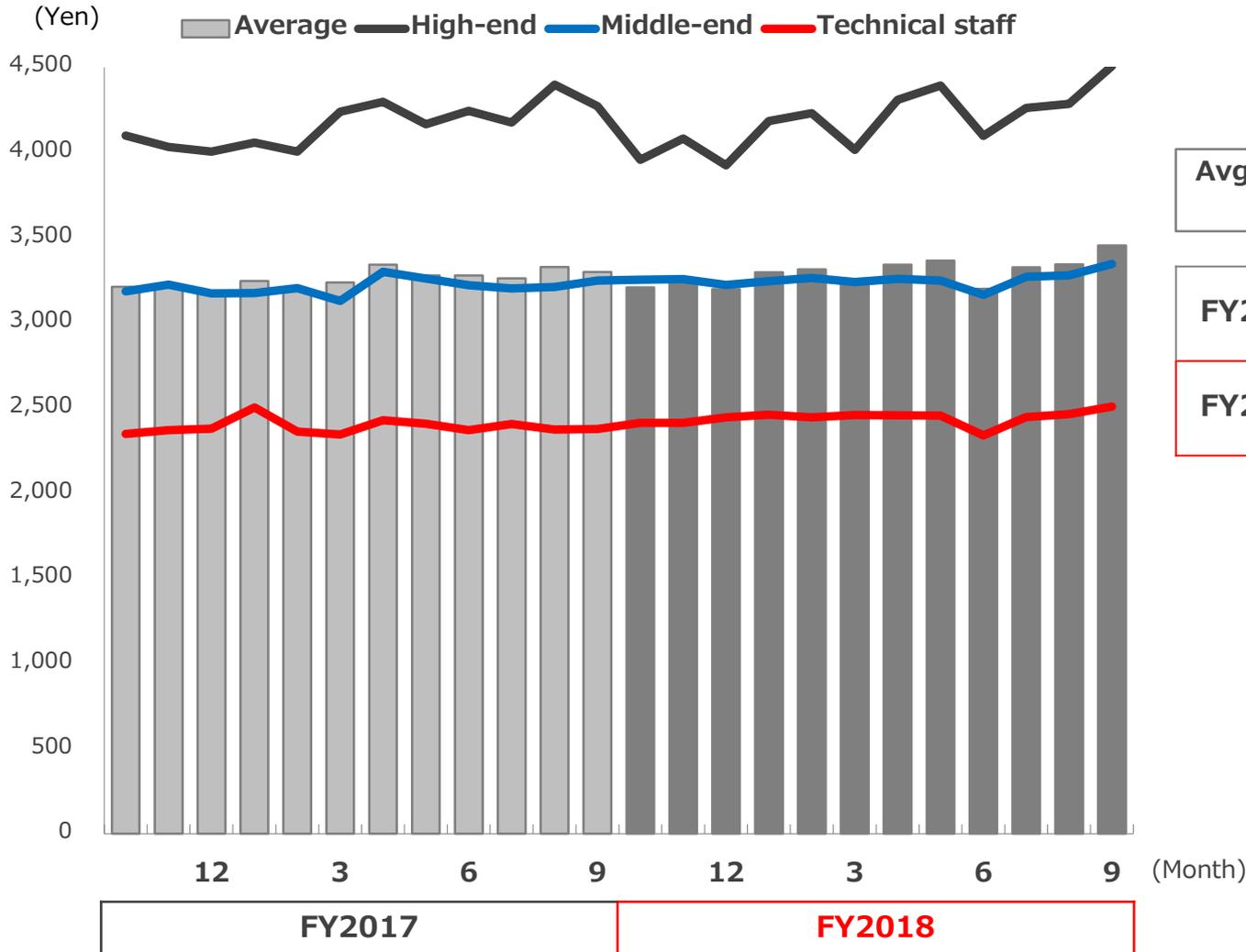


Avg. operating rate 12-month avg. (Oct – Sep)		
FY2015	95.3%	YoY
FY2016	93.3%	-2.0pt.
FY2017	90.2%	-3.1pt.
FY2018	91.5%	+1.3pt.

Changes in Unit Price of Temporary Staffing



- Unit price of temporary staffing increased due to tight supply and demand despite increase in young engineers



Avg. unit price of temporary staffing
12-month avg. (Oct - Sep)

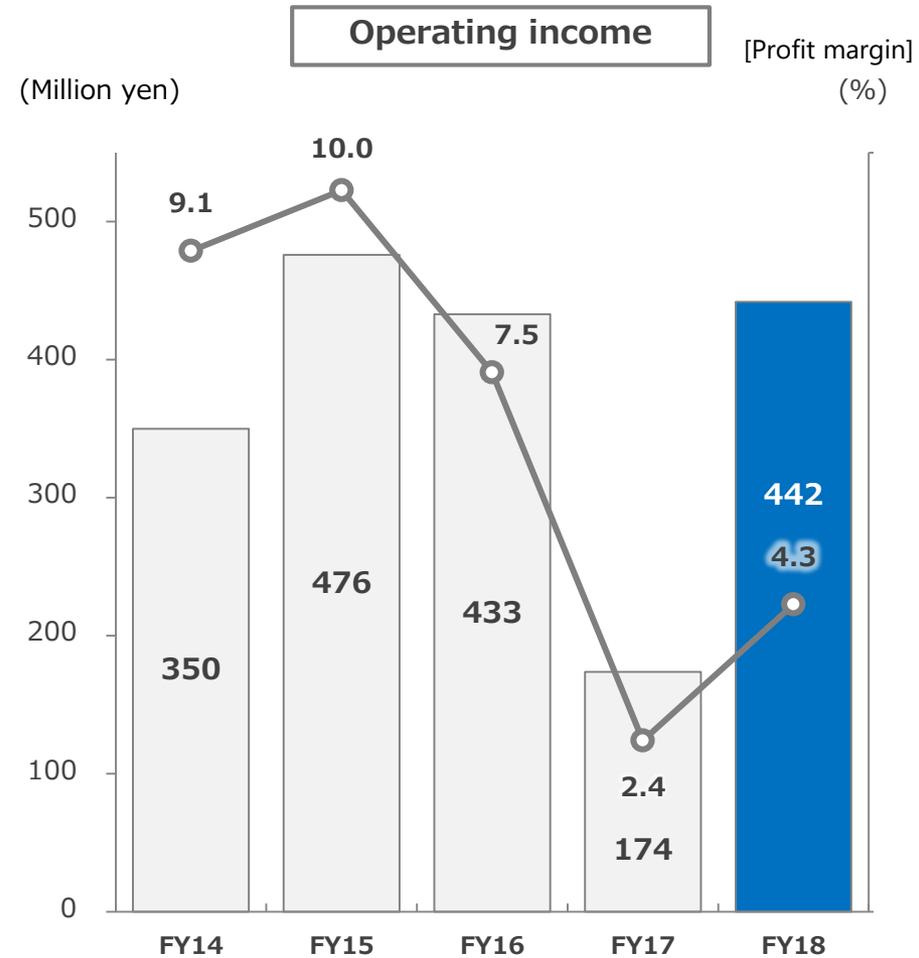
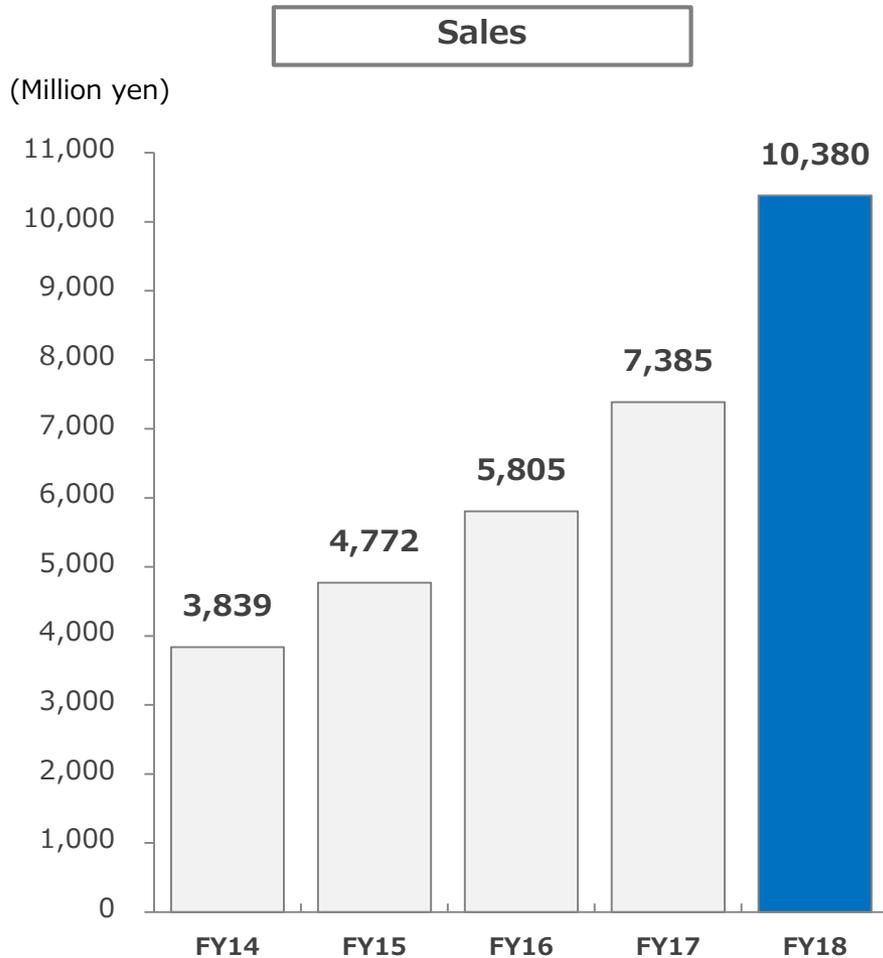
FY	Unit Price (Yen)	YoY Change
FY2017	3,255 yen	
FY2018	3,294 yen	+1.2%

P/L Summary



Engineer Temporary Staffing

- Sales ⇒ up by 41% due to increase in the number of engineers at work through aggressive recruitment
- Operating income ⇒ up by 154% as a result of increase in recruiting cost due to rising operating rate

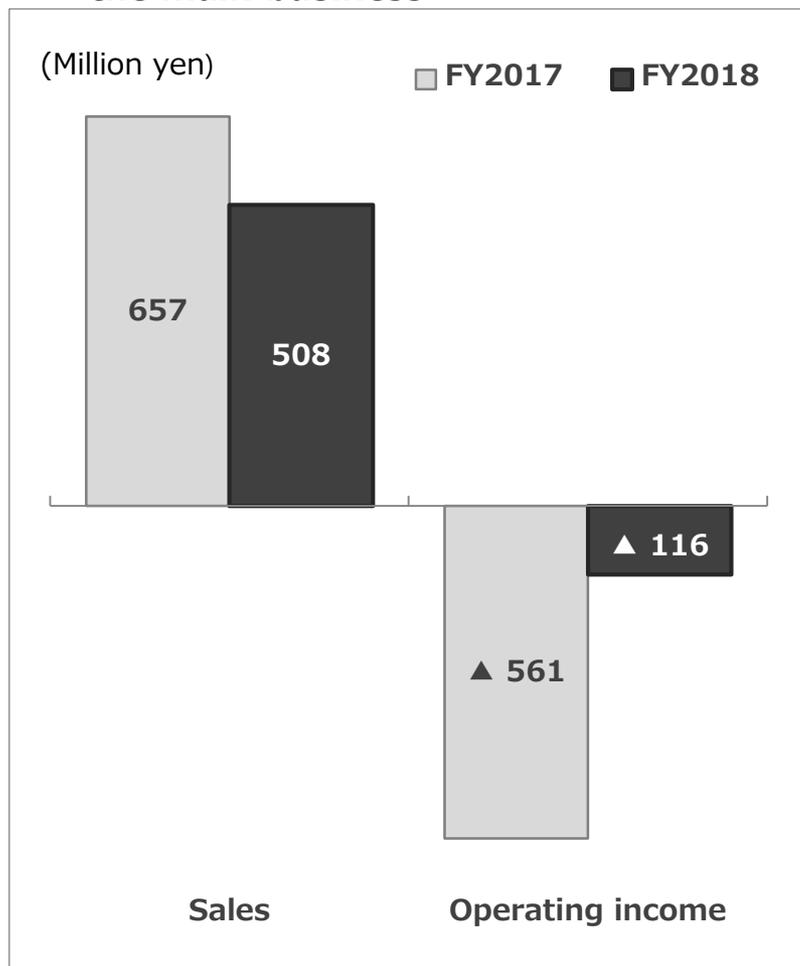


Other Businesses

P/L Summary

Other

- Changed the segment of Education and IT-related businesses to other businesses → absorbed respectively
- Reorganization of unprofitable subsidiaries progressed → temporary staffing business will be the main business



1. Temporary staffing business

(Million yen)

	FY2017	FY2018	Change
Sales	158	245	+87
Segment profit	-31	43	+74

- Strong demand for engineers in each industry → withdrew due to merger

2. Education-related business

(Million yen)

	FY2017	FY2018	Change
Sales	120	139	+19
Segment profit	-344	-133	+211

- Posted loss due to the downsizing of business → withdrew due to merger

3. IT-related business

(Million yen)

	FY2017	FY2018	Change
Sales	378	130	-248
Segment profit	-186	-26	+160

- Sale of unprofitable subsidiaries → remaining subsidiaries also withdrew due to merger

*In addition, consolidation is eliminated through intersegment transactions.

Summary of Consolidated P/L Statement

(Million yen)

	FY2017	FY2018	Change	Pct. change
Sales	30,510	40,419	+9,908	32.5%
Gross profit	8,780 (28.8%)	12,338 (30.5%)	+3,557	40.5%
SG&A expenses	6,418 (21.0%)	7,152 (17.7%)	+733	11.4%
Operating income	2,361 (7.7%)	5,186 (12.8%)	+2,824	119.6%
Ordinary income	2,423 (7.9%)	4,940 (12.2%)	+2,516	103.8%
Net income attributable to owners of parent	1,426 (4.7%)	3,635 (9.0%)	+2,209	154.9%

* () = Ratio to sales

FY9 / 19

Organizational Restructuring

Absorption-type Merger



Group

- Yumeshin Holdings and Yume Solutions merged to promote information technology within the company
- Yume Technology and Yume Education merged to enhance company training

[FY18/Q4]

Business segment	Company name
Construction engineer temporary staffing	Yumeshin Holdings
Engineer temporary staffing	Yume Technology KRUNGTEP
Other (Temporary staffing)	Yume Agent YUMEAGENT PHILIPPINES YUMEAGENT VIETNAM
(Education-related)	Yume Education Construction qualification promotion center
(IT-related)	Yume Solutions



[FY2019]

Business segment	Company name
Construction engineer temporary staffing	<u>Yumeshin Holdings</u> *Took over Yume Solutions as of Oct. 1
Engineer temporary staffing	<u>Yume Technology</u> *Took over Yume Education as of Aug. 1 KRUNGTEP
Other (Temporary staffing)	<u>Yume Agent</u> YUMEAGENT PHILIPPINES YUMEAGENT VIETNAM

Organizational Restructuring Acquisition of 100% Ownership of



Group

- Made Yume Technology a wholly-owned subsidiary through a share exchange (ratio 1:0.75)
- Yume Technology will be delisted on January 28, 2019.

Reasons for making it a wholly-owned subsidiary

1. Accelerate recruitment of engineers

Aggressive investment focused on long-term plans

2. Accelerate M&A strategy

Accelerate M&A in the engineer field by leveraging Yumeshin HD's capital

3. Accelerate utilization of overseas human resources

Unify the Group's overseas human resource management business into Yume Global

New Subsidiaries



Group



P3OPLE4U, Inc.

IT engineer temporary staffing
Became subsidiary on Oct. 1, 2018

Head office	Makati City, Philippines
-------------	--------------------------

Features	Strong connection with Accenture Japan Ltd Intend to send engineers to the Philippines and overseas
----------	--

No. of engineers	About 90
------------------	----------

Recent performance

Sales	490 million yen
-------	-----------------

Operating income	82 million yen
------------------	----------------



NEPLUS K.K.

IT engineer temporary staffing
Became subsidiary on Oct. 1, 2018

Head office	Kasumigaseki, Tokyo
-------------	---------------------

Features	Strong in network engineering Rental and sale of IT equipment
----------	--

No. of engineers	About 80
------------------	----------

Recent performance

Sales	1,271 million yen
-------	-------------------

Operating income	68 million yen
------------------	----------------



SANRITSU DESIGN CO.,LTD

IT engineer temporary staffing
Became subsidiary on Oct. 1, 2018

Head office	Toshima-ku, Tokyo
-------------	-------------------

Features	45 years of trusting relationship with the Hitachi Group Drawing and design using the latest 2D and 3D CAD
----------	---

No. of engineers	About 40
------------------	----------

Recent performance

Sales	367 million yen
-------	-----------------

Operating income	38 million yen
------------------	----------------



(Million yen)

	FY2018 actual	FY2019 forecast	Pct. change
Sales	40,419	50,000	23.7%
Operating income	5,186	6,000	15.7%
Ordinary income	4,940	6,000	21.4%
Net income attributable to owners of parent	3,635	4,100	12.8%
Net income per share	48.75円	54.98円	12.8%

FY9/19 Business Forecasts by Segment

(Million yen)

1. Construction engineer temporary staffing	FY2018 actual	FY2019 forecast	Pct. change
Sales	29,609	36,000	21.6%
Segment income	4,980	6,000	20.5%
No. of recruits	2,764	2,800	1.3%
No. of engineers at year-end	5,066	5,900	16.5%

2. Engineer temporary staffing	FY2018 actual	FY2019 forecast	Pct. change
Sales	10,380	13,000	25.2%
Segment income	442	0	—
No. of recruits	1,118	1,800	61.0%
No. of engineers at year-end	2,414	3,400	40.8%

Management Strategies by Segment

1. Construction Engineer Temporary Staffing

Recruit 2,800 engineers and increase unit price of temporary staffing

2. Engineer Temporary Staffing

Recruit 1,800 engineers and increase unit price of temporary staffing

3. Other Businesses

Establishment of a scheme to acquire human resources from overseas

Details of management strategy

1. Construction Engineer Temporary Staffing business

- Recruit over 2,800 engineers through aggressive investment to meet vigorous demand
- Maintain a retention rate of at least 70% through continuous follow-up measures and salary increase
- Further revitalize regional sales offices ⇒ Expansion of sales channels
- Achieve high added value through continuous lifelong training

2. Engineer Temporary Staffing business

- Increase the number of engineers as a top priority plan, with the target of net increase of over 1,000 engineers.
- Aggressive investment to recruit over 1,800 engineers
- Expand training centers commensurate with the size of recruitment
- Strengthen sales capabilities by increasing sales staff

3. Other businesses

- Make recruiting business profitable, where demand is strong, by focusing on construction industry
- Start a business to utilize foreign human resources

Medium-Term Management Plan

External Environment (1)

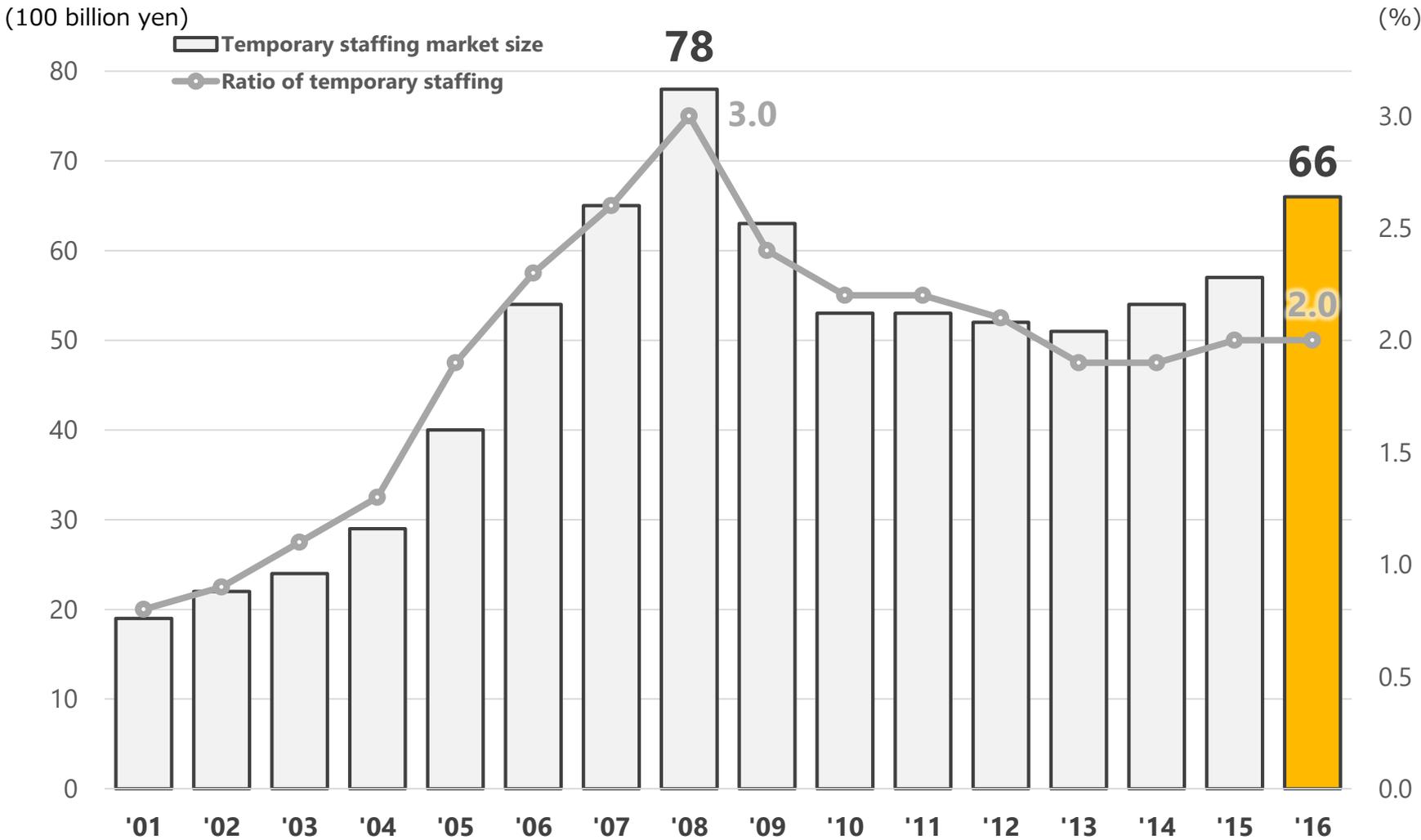
Temporary Staffing Industry

Question

Isn't the temporary staffing industry going to grow?

Changes in Market Size of Temporary Staffing Industry

■ Temporary staffing market size is 6 trillion yen



Source: "Results of Worker Dispatching Business," Ministry of Health, Labor and Welfare, Japan Staffing Services Association

Changes in Market Size of Temporary Staffing Industry

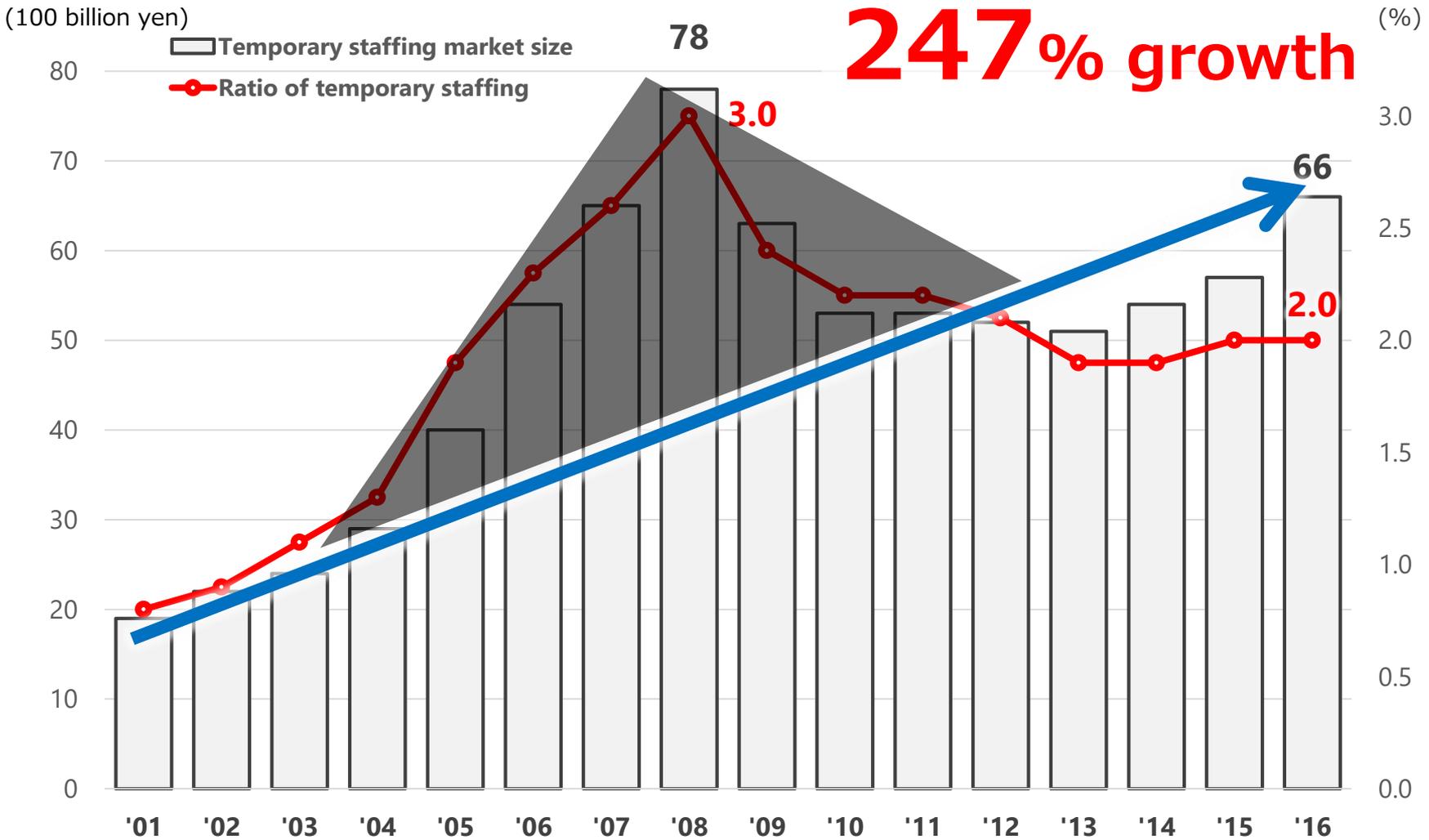
■ Rapid expansion due to lifting of the ban on sending workers to manufacturing industry



Source: "Results of Worker Dispatching Business," Ministry of Health, Labor and Welfare, Japan Staffing Services Association

Changes in Market Size of Temporary Staffing Industry

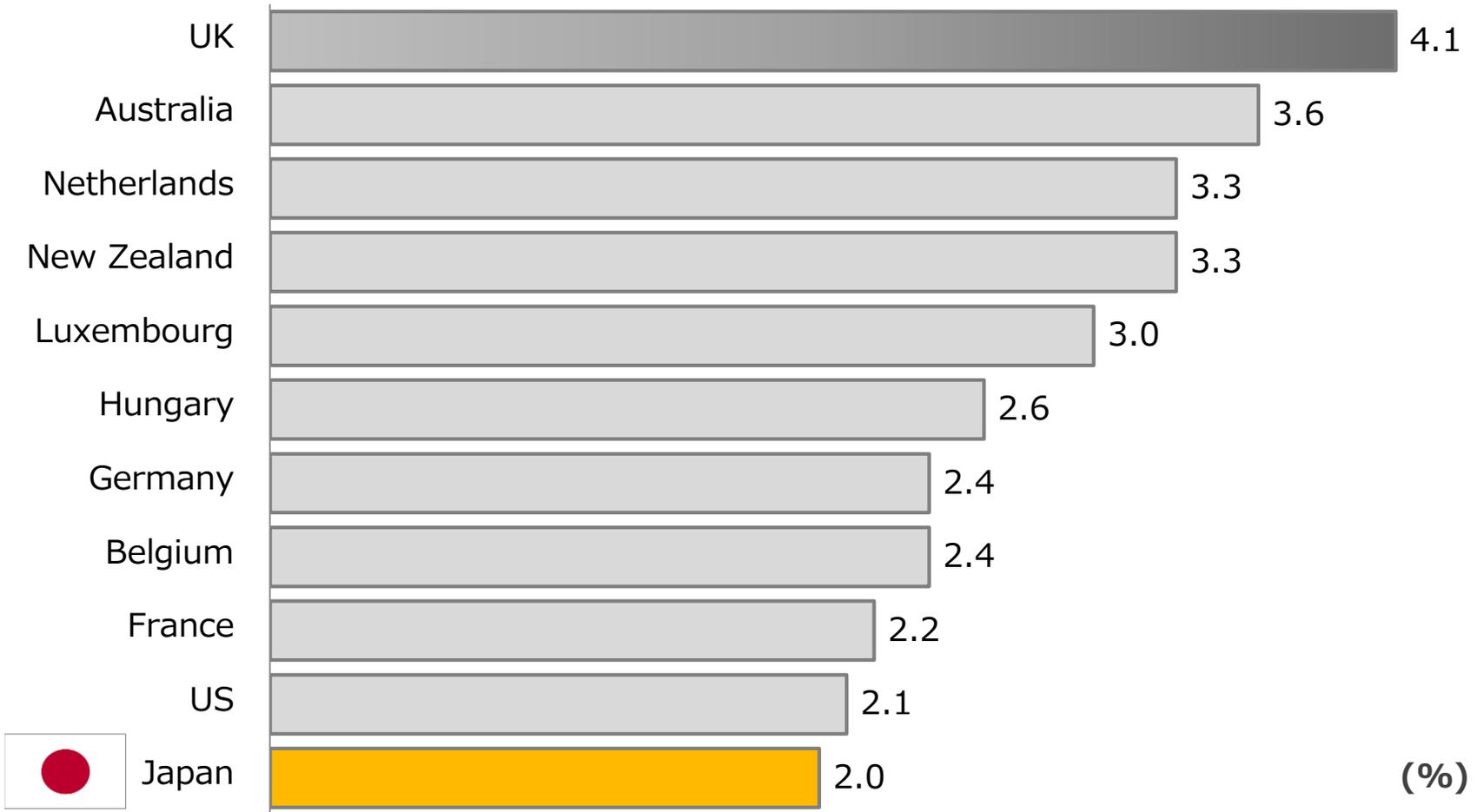
Continually growing for more than 10 years except for dispatching to manufacturing industry



Source: "Results of Worker Dispatching Business," Ministry of Health, Labor and Welfare, Japan Staffing Services Association

Penetration Rate of Temporary Staffing by Country

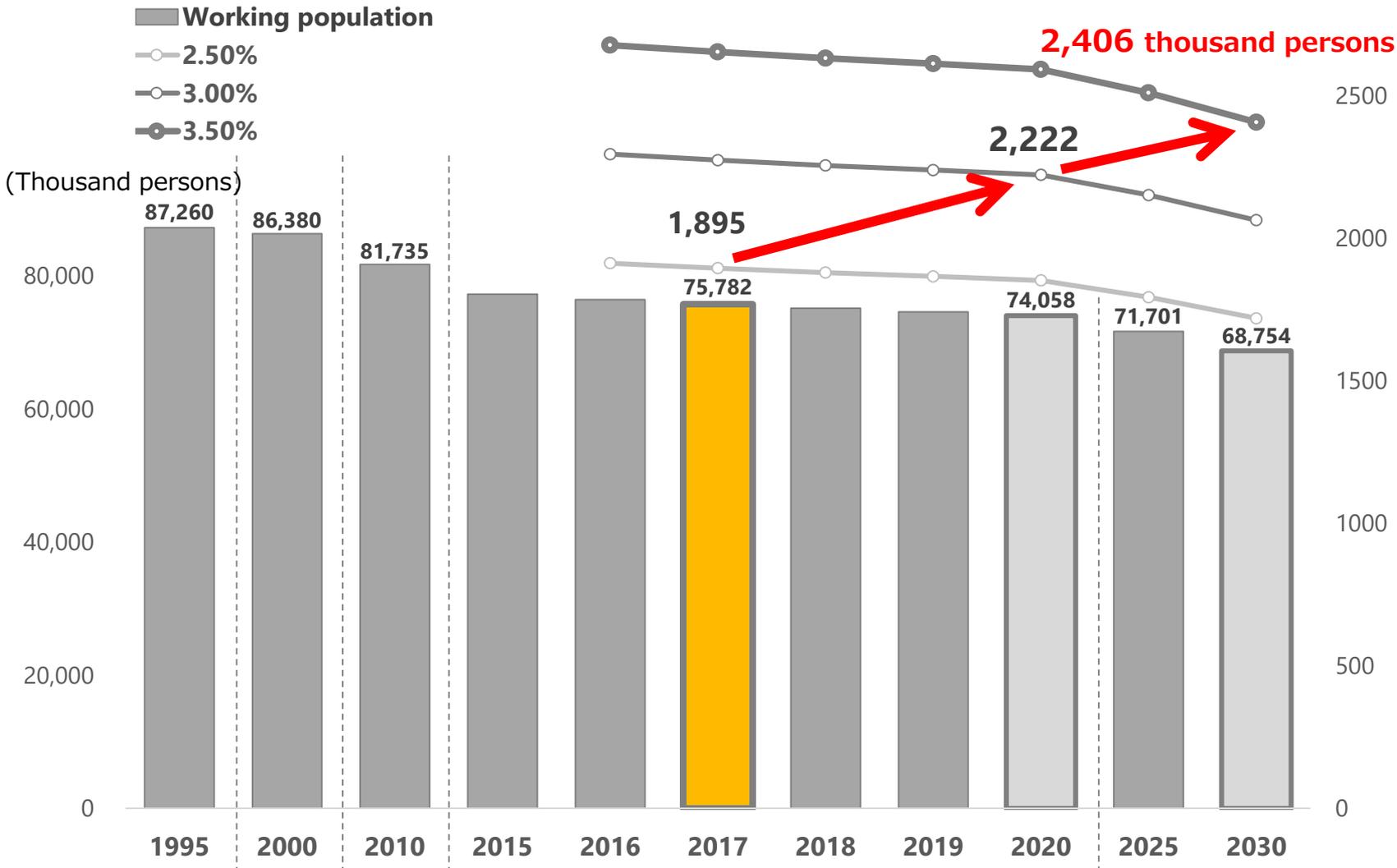
■ Ratio of temporary staffing in Japan is lower than other countries



Source: "Economic Report 2018," World Economic Confederation

Estimates of Working Population in Japan

- Become a growing market with the same penetration rate of temporary staffing as the Netherlands and Australia even the working population decreases

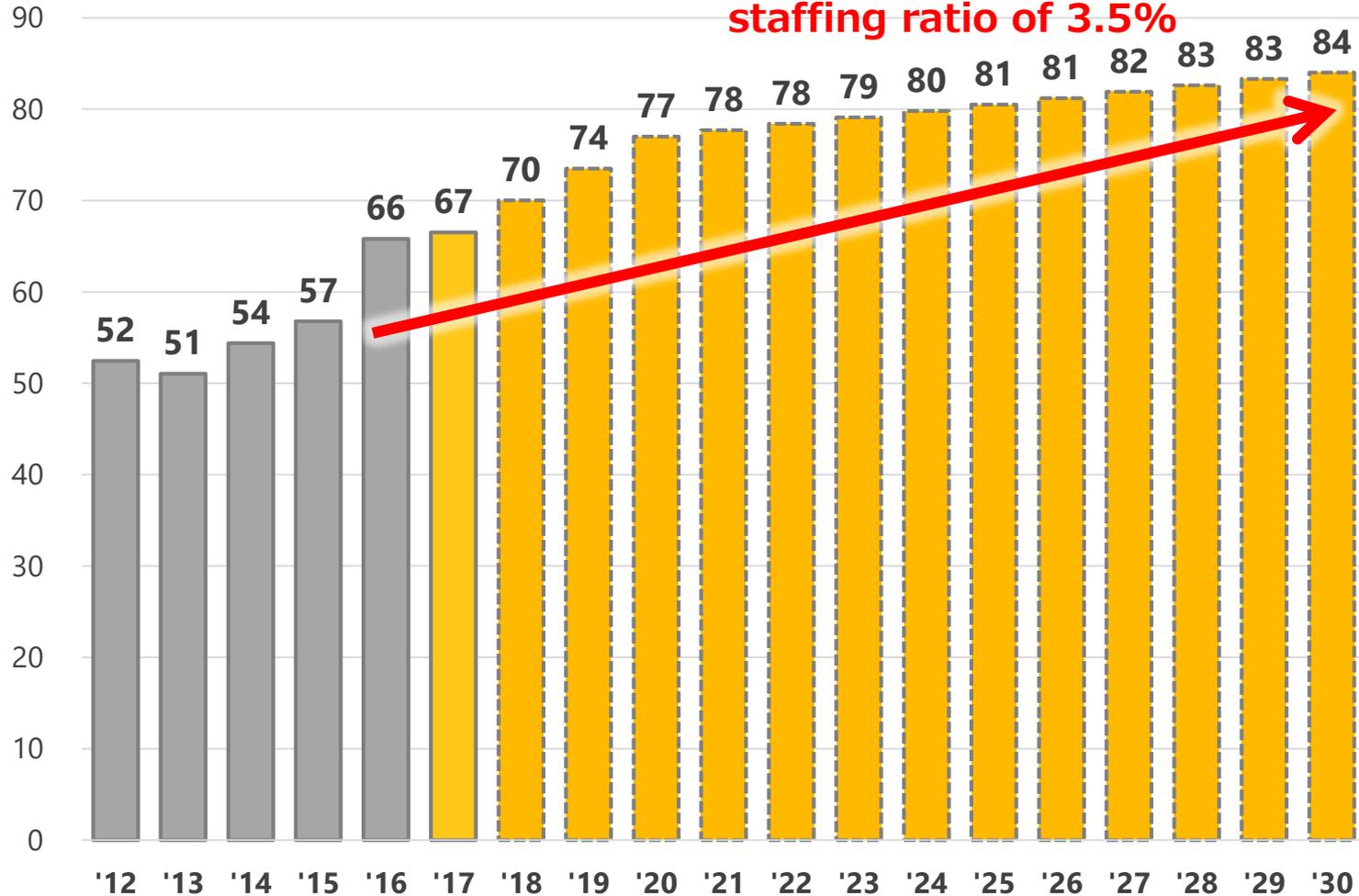


Source: "Population Projections for Japan," National Institute of Population and Social Security Research

Future Prospect of Japan's Temporary Staffing Market

- 2.4 million people will be active in the field **To a 9 trillion yen market with temporary staffing ratio of 3.5%**

(100 billion yen)



Answer

Temporary
staffing industry
is still **growing**

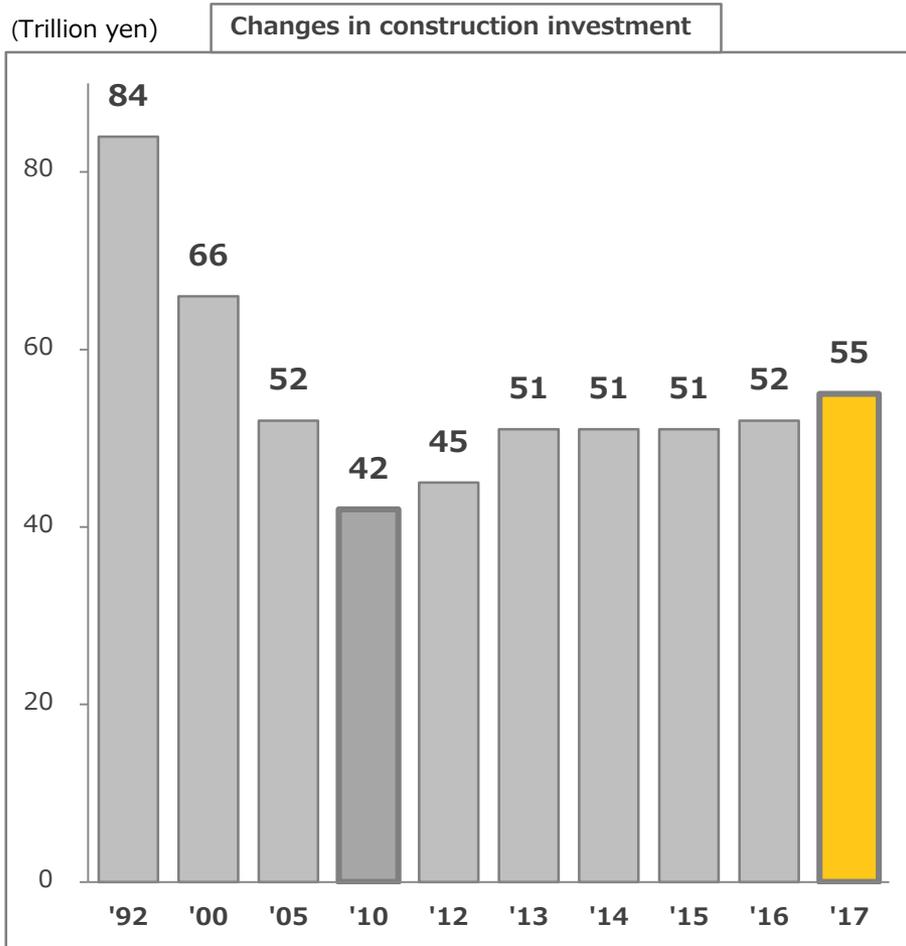


Construction Industry

Increasing Construction Investment



- Investment amount increased by about 30% hitting the bottom in 2010
- Many projects extending beyond 2020



Source: "2017 Construction Investment Outlook," Ministry of Land, Infrastructure, Transport and Tourism (June 30, 2017)

Examples of large projects after the Tokyo Olympics

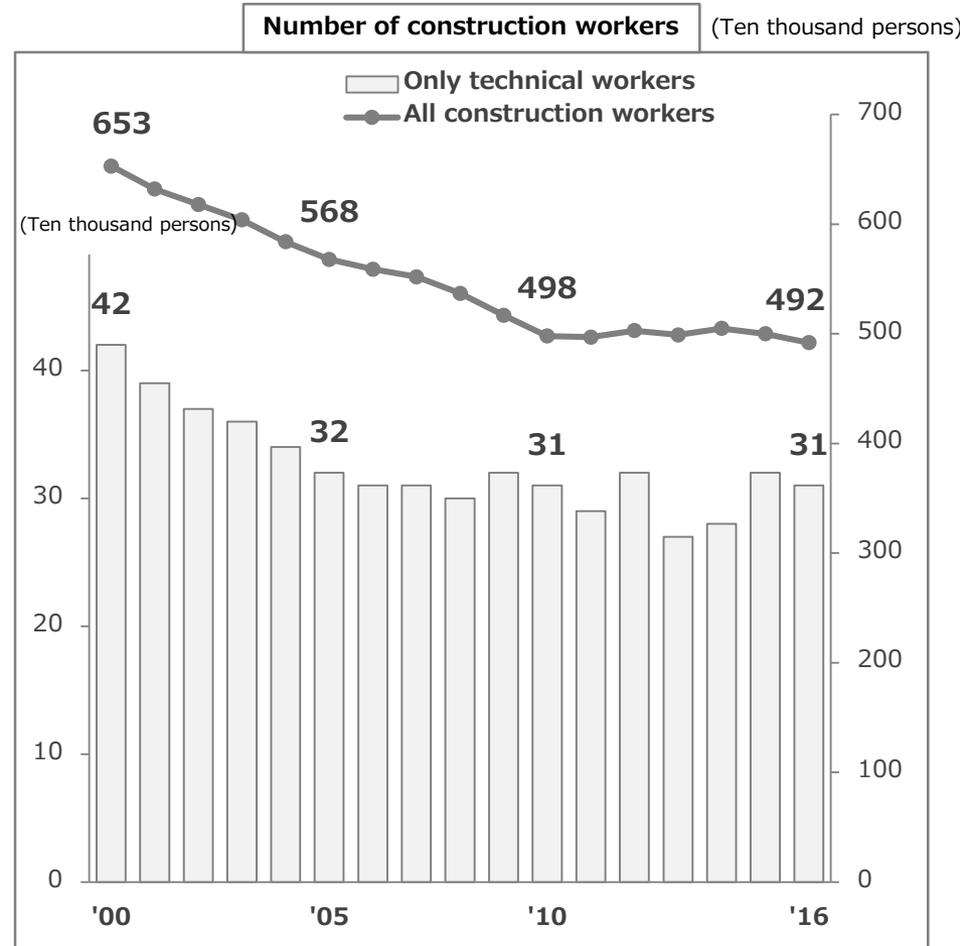
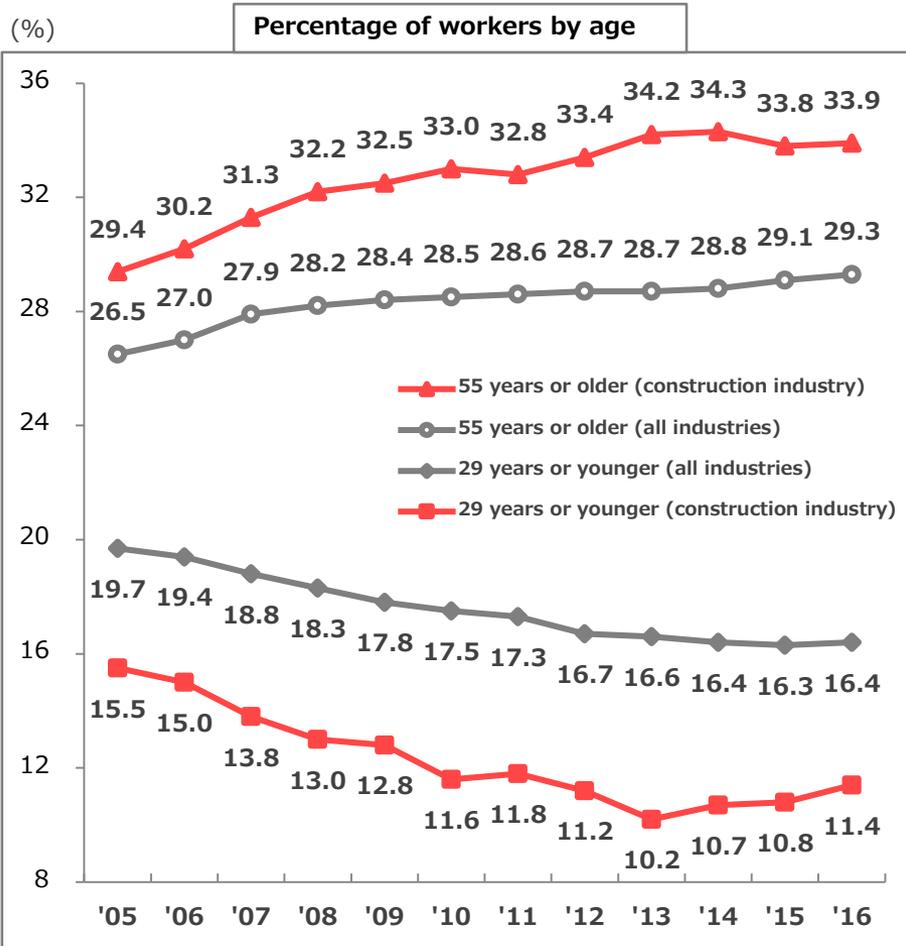
Projects	Planned contractors	Estimated completion
Redevelopment of Shinagawa	Taisei Corporation Maeda Corporation	2019
Shibaura Project	Taisei Corporation SHIMIZU CORPORATION	2019
Toranomon Tokyo Worldgate	SHIMIZU CORPORATION	2019
Redevelopment of Shibuya	TOKYU CONSTRUCTION	2021
Redevelopment of Yaesu	Taisei Corporation Obayashi Corporation	2024
Hamamatsucho Trade center building	Kajima Corporation	2024
Tokiwabashi Empty lots of Nihon Building	Taisei Corporation	2027

Source: "Prospects and Strategies of General Construction Industry 2016 Edition," Yano Research Institute

Decreasing Construction Workers



- Construction workers decreased by 1.4 million in 15 years
- One in three people is over 55 years old = Risk of turnover in huge numbers

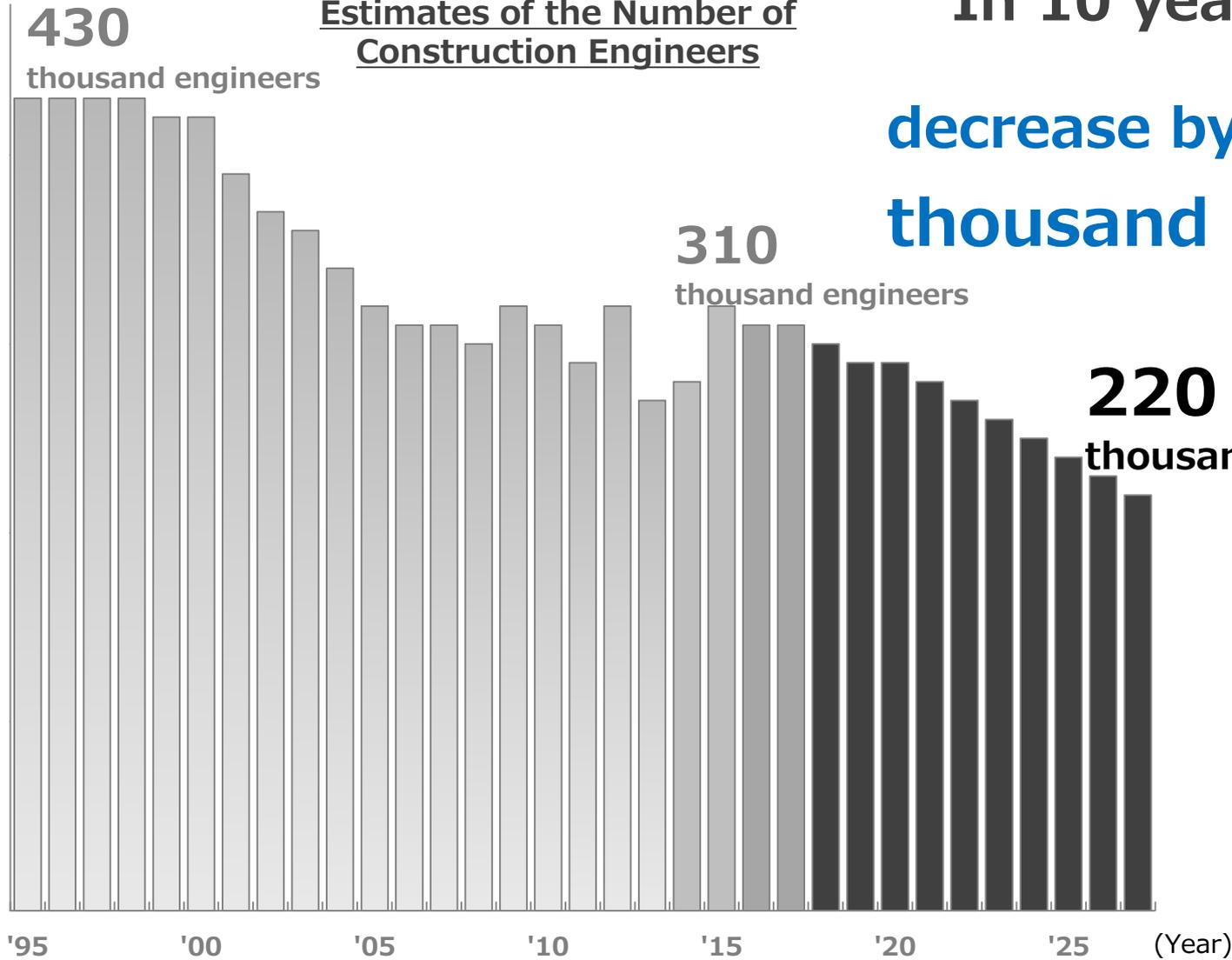


Further Accelerate the Shortage of Construction Workers



Construction Engineer
Temporary Staffing

Estimates of the Number of
Construction Engineers



In 10 years' time...
decrease by **100**
thousand engineers

220
thousand engineers!?

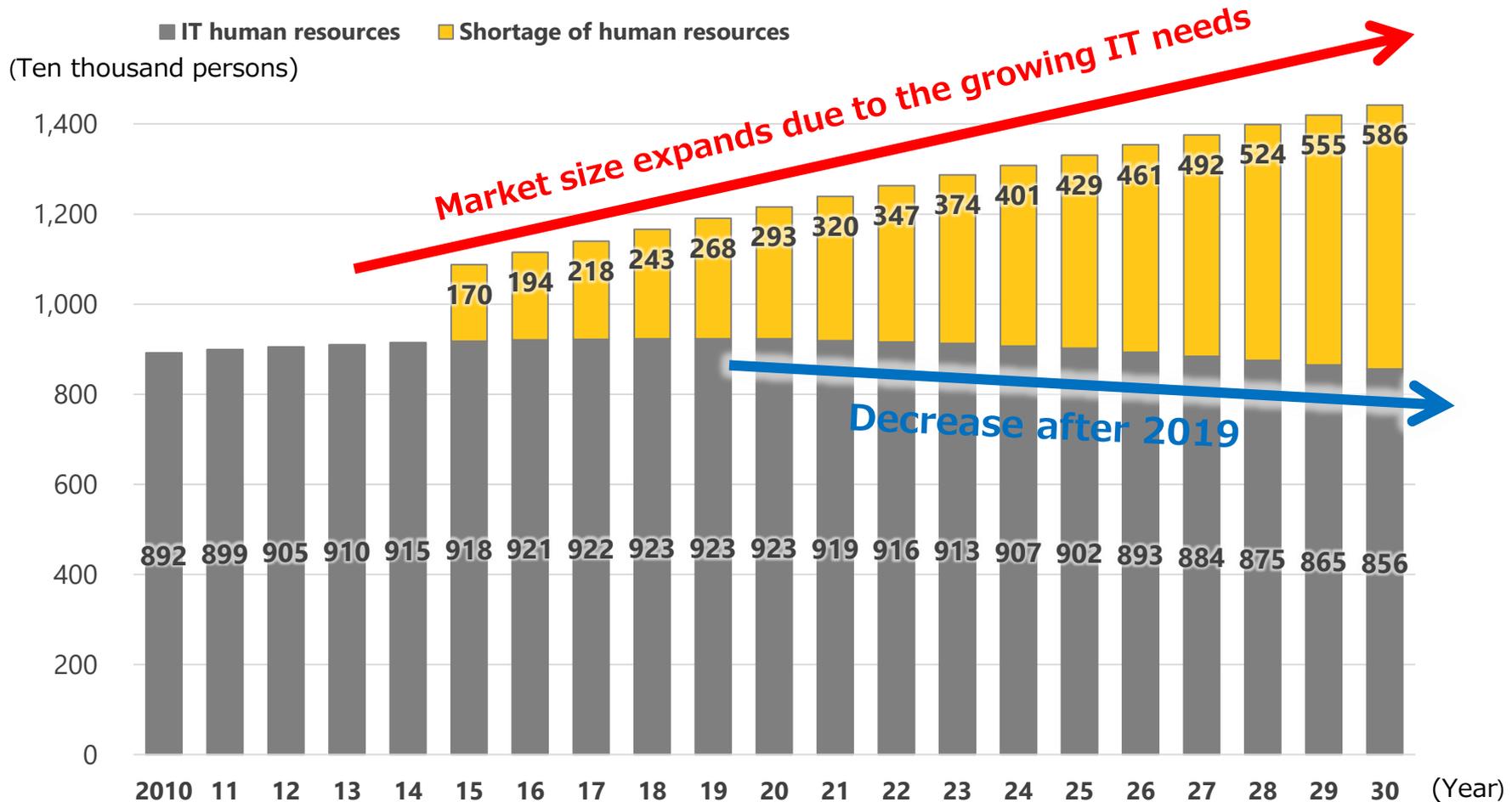


IT Industry

Estimates of the Shortage of IT Human Resources



- Supply of IT human resources will peak out in 2019
- Likely that there will be 590 thousand people short in 2030



Investment in Recruitment

Recruitment = Ultrahigh efficiency investment

ROI per engineer

	Construction engineer temporary staffing	Engineer temporary staffing
Recruitment training cost (Thousand yen/engineer)	600	750
Annual gross profit (Thousand yen/engineer)	1,650	1540
Monthly gross profit (Thousand yen/engineer)	150	140
Payout time	4 months	6 months
ROI	175%	105%

1. Payout time : Recruitment training cost ÷ Monthly gross profit
2. ROI : (Annual gross profit – Recruitment training cost) ÷ Recruitment training cost × 100

Summary of External Environment

Temporary staffing = Growing industry
Construction and IT fields face
unprecedented labor shortage



Ultrahigh efficiency investment in recruitment
Recruitment and training system capable of reducing cost and generating a high profit



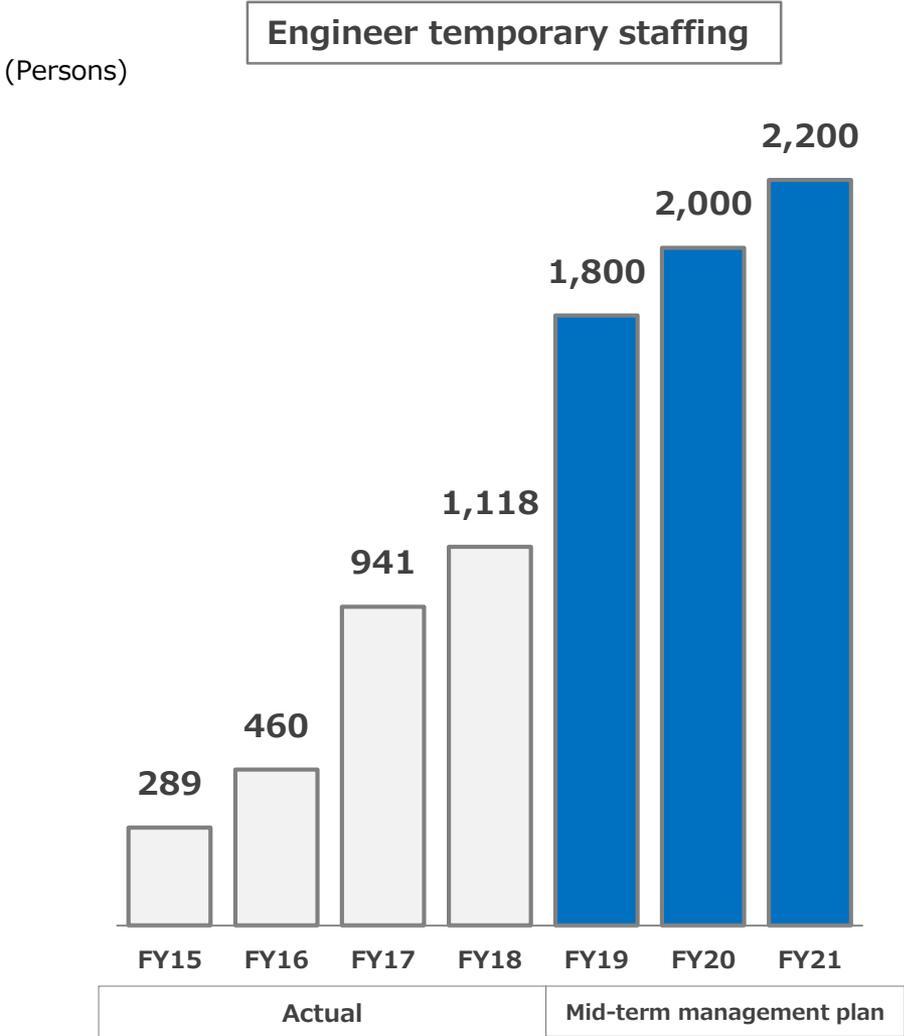
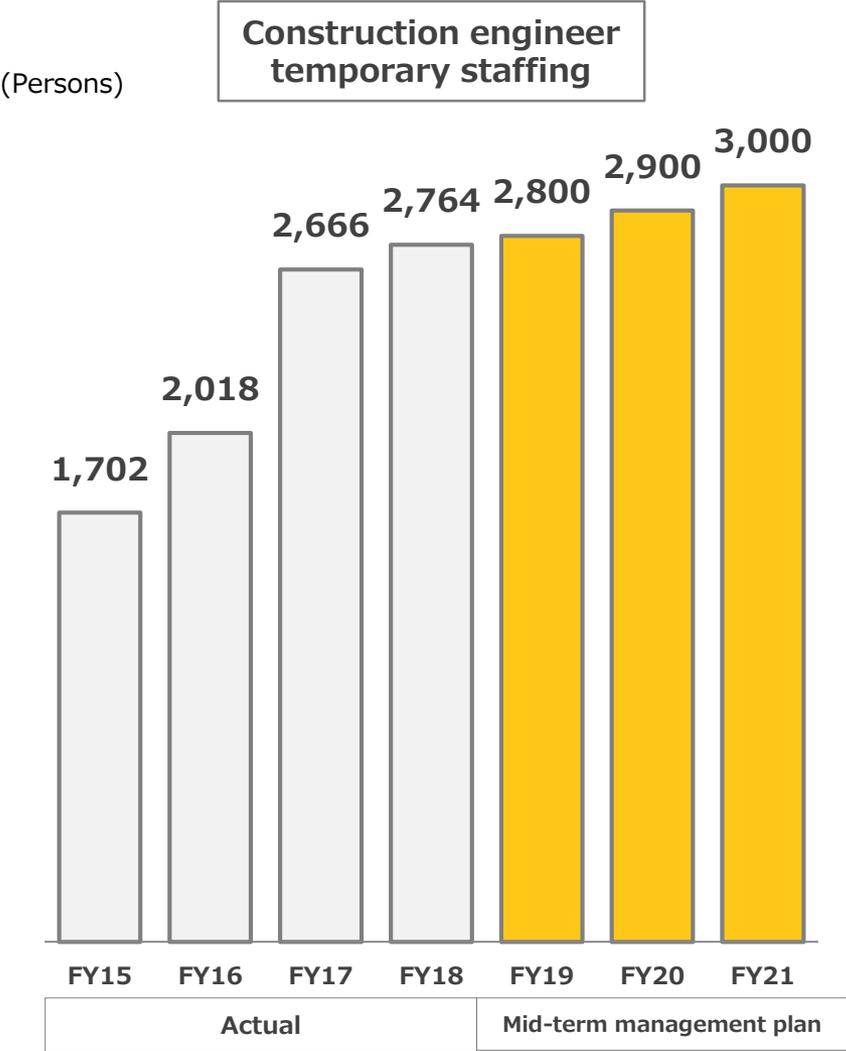
Commit to make investment
in increasing engineers

Mid-term Management Plan

Management Strategy

Planned Number of Recruits

- Active recruitment in the Group and accelerate recruitment of IT engineers in particular from 2019



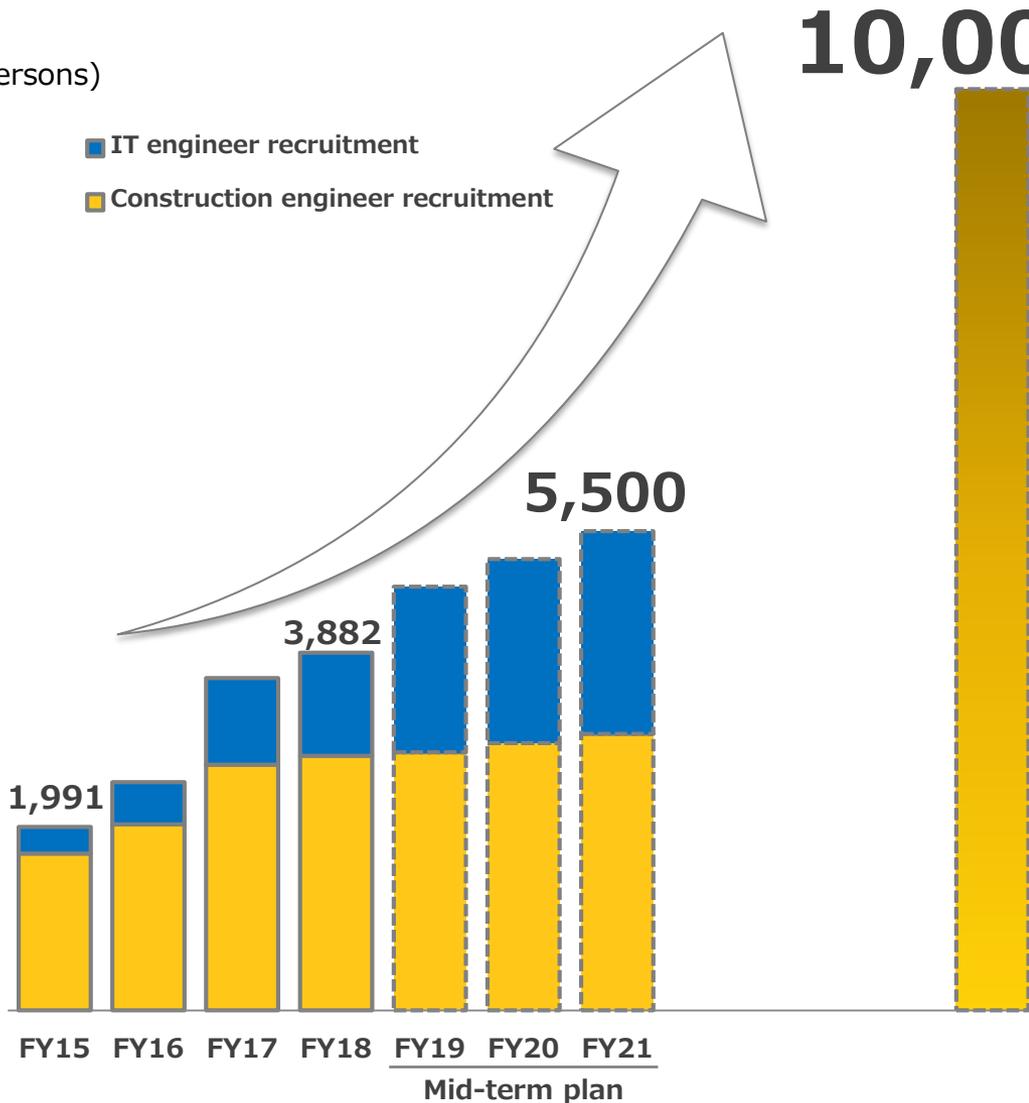
Medium-and Long-term Planned Number of Recruits



- Establish additional recruitment bases aimed at employing 10,000 engineers in the Group from 2021

(Persons)

- IT engineer recruitment
- Construction engineer recruitment



10,000

No. of recruits on consolidated basis

Target of **10,000** engineers

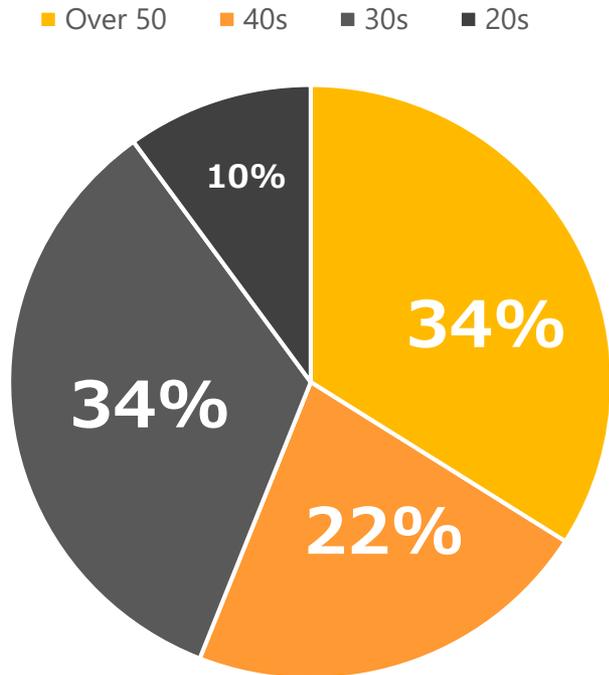
Target① Experienced Workers and Experts



Construction Engineer
Temporary Staffing

- Primarily employed young and unexperienced workers but also employ experienced workers
- Capture market share as about 60% are experts in the construction industry

Ratio by ages of construction workers



Source: "Labor Force Survey," Ministry of Health, Labor and Welfare

建設業界経験者の転職・派遣なら



Recruitment of
experts using the
Company's contents
"Ore no Yume"

Aim for **2,000 engineers** in the future

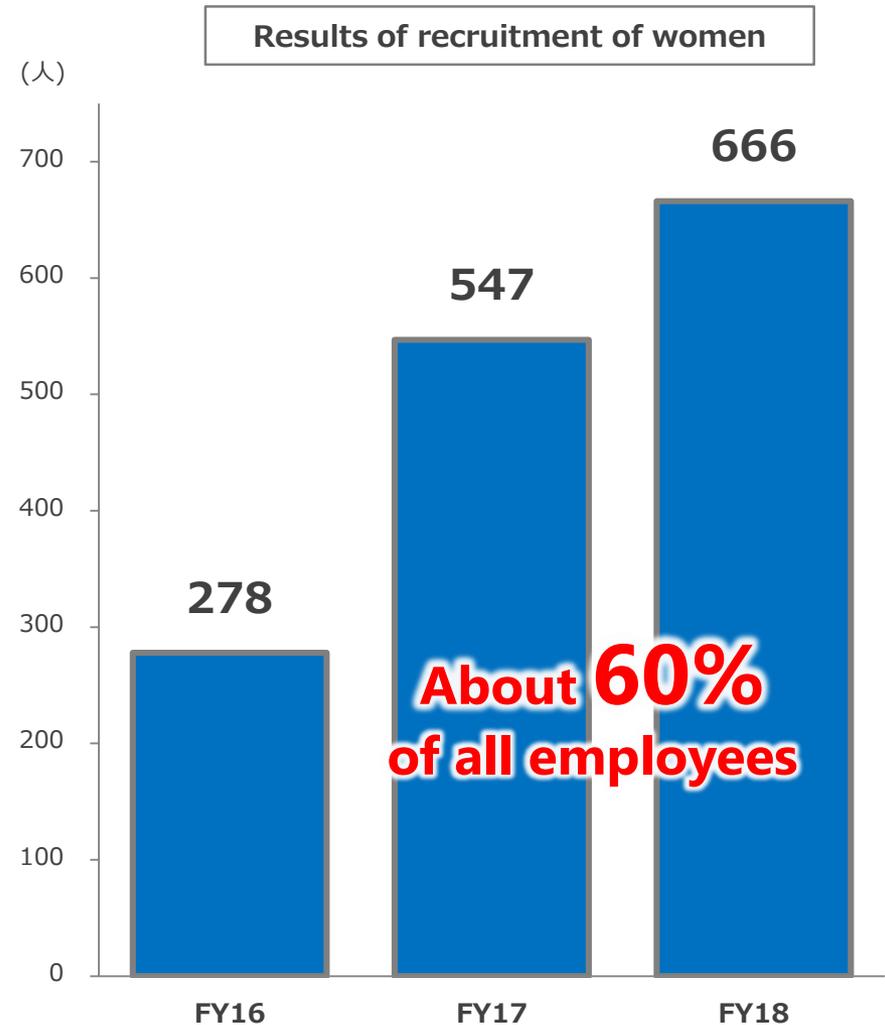
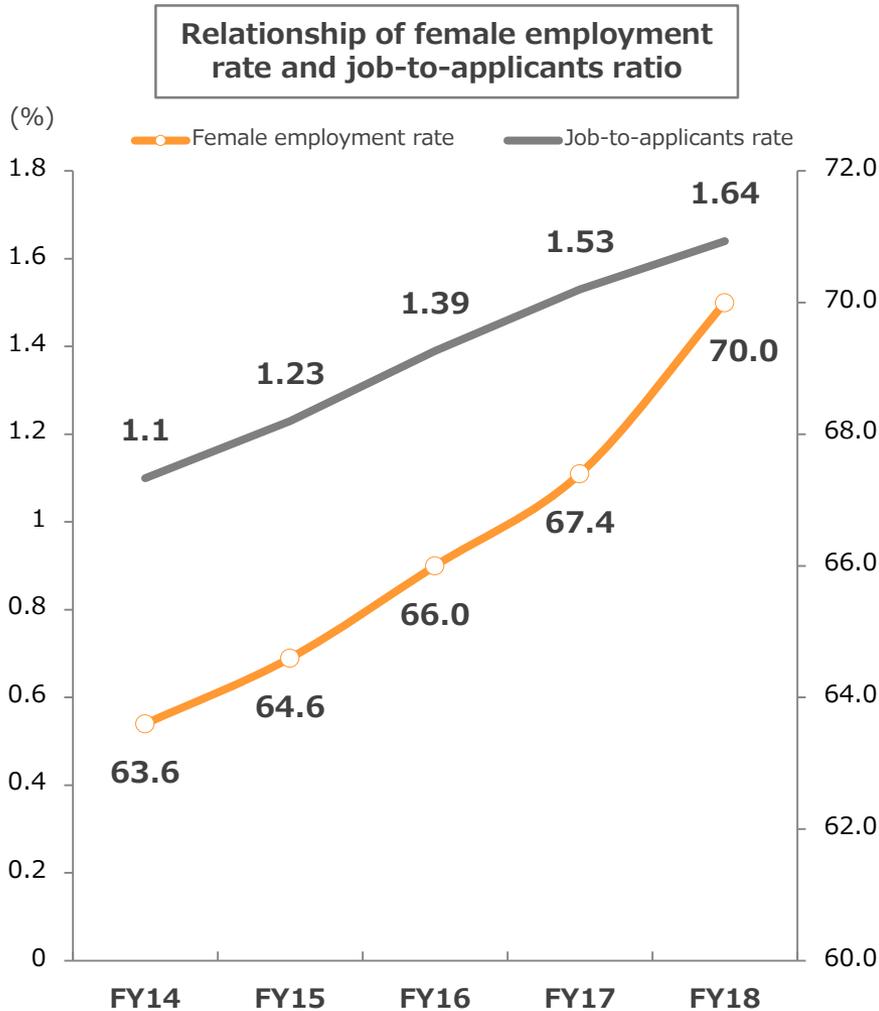
*As of end-Sep. 2018 : about 340 engineers

Target② Female Engineers



Engineer Temporary Staffing

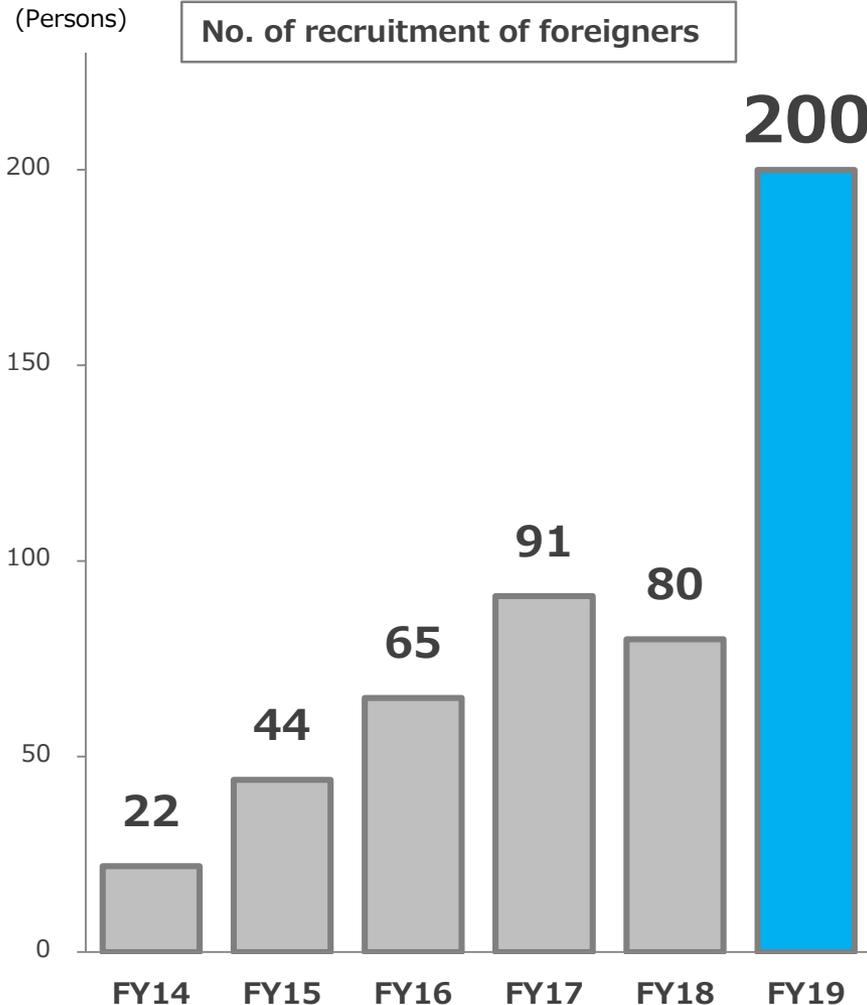
- Places to use females' skills are increasing year by year
- Increase female engineers although they are currently working mainly in clerical positions



Target③ Recruitment of Foreigners



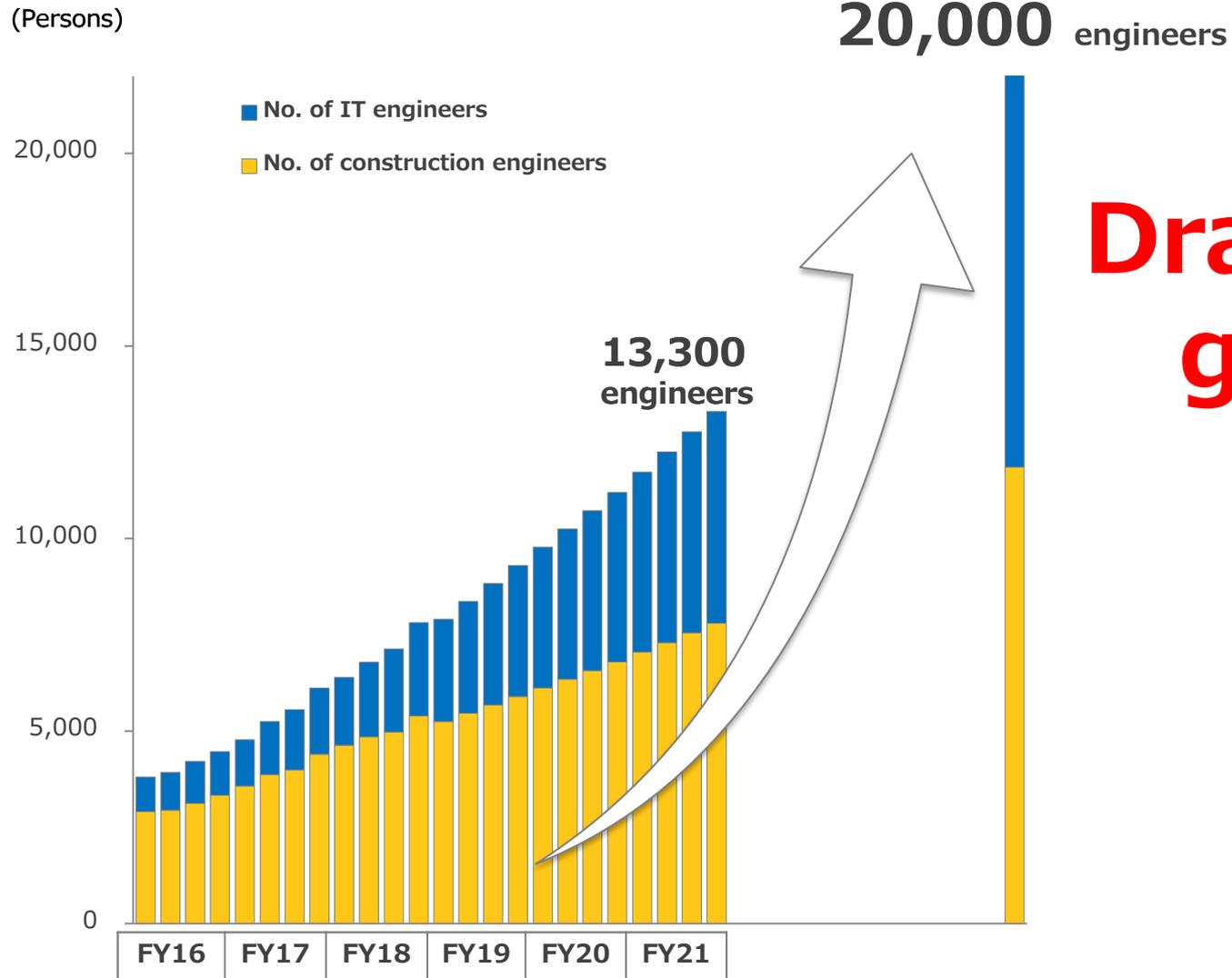
- Actively recruit human resources from around the world
- Aim for 150% Increase in FY2019 by increasing the number of recruitment bases



No. of engineers by nationality

Nationality	No. of engineers
Vietnam	46
China	36
Korea	26
Philippines	25
Nepal	11
Taiwan	6
Other	30
Total (26 countries)	180

Medium-and Long-term Target Number of Engineers



Dramatical growth

Mid-term plan

*No. of engineers at the end of each quarter



Number of engineers in the Group

20,000

engineers

株 夢真ホールドイング
YUMESHIN HOLDINGS Co.,Ltd.

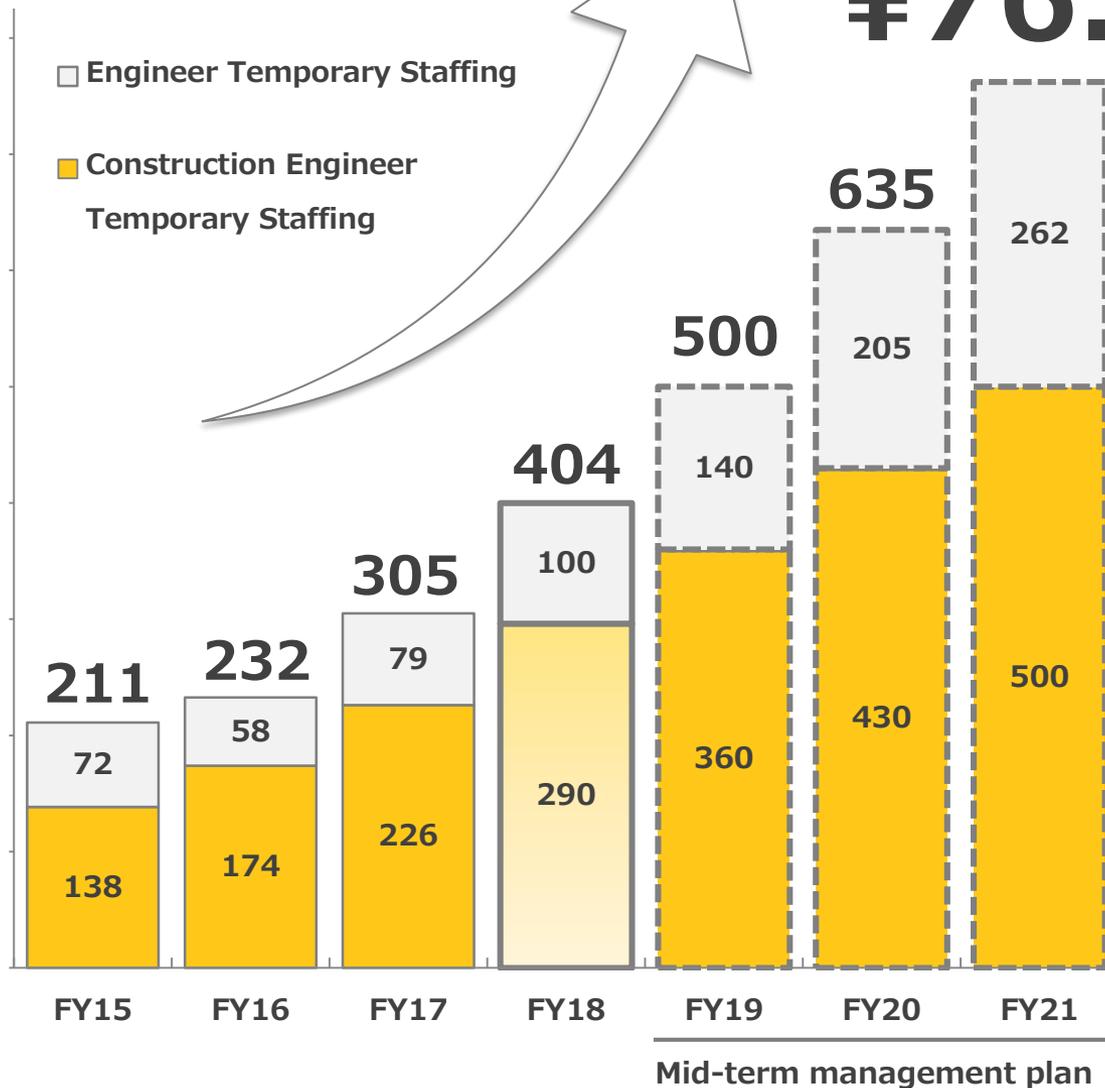
(Construction engineers + IT engineers)



Consolidated Net Sales Plan

(100 million yen)

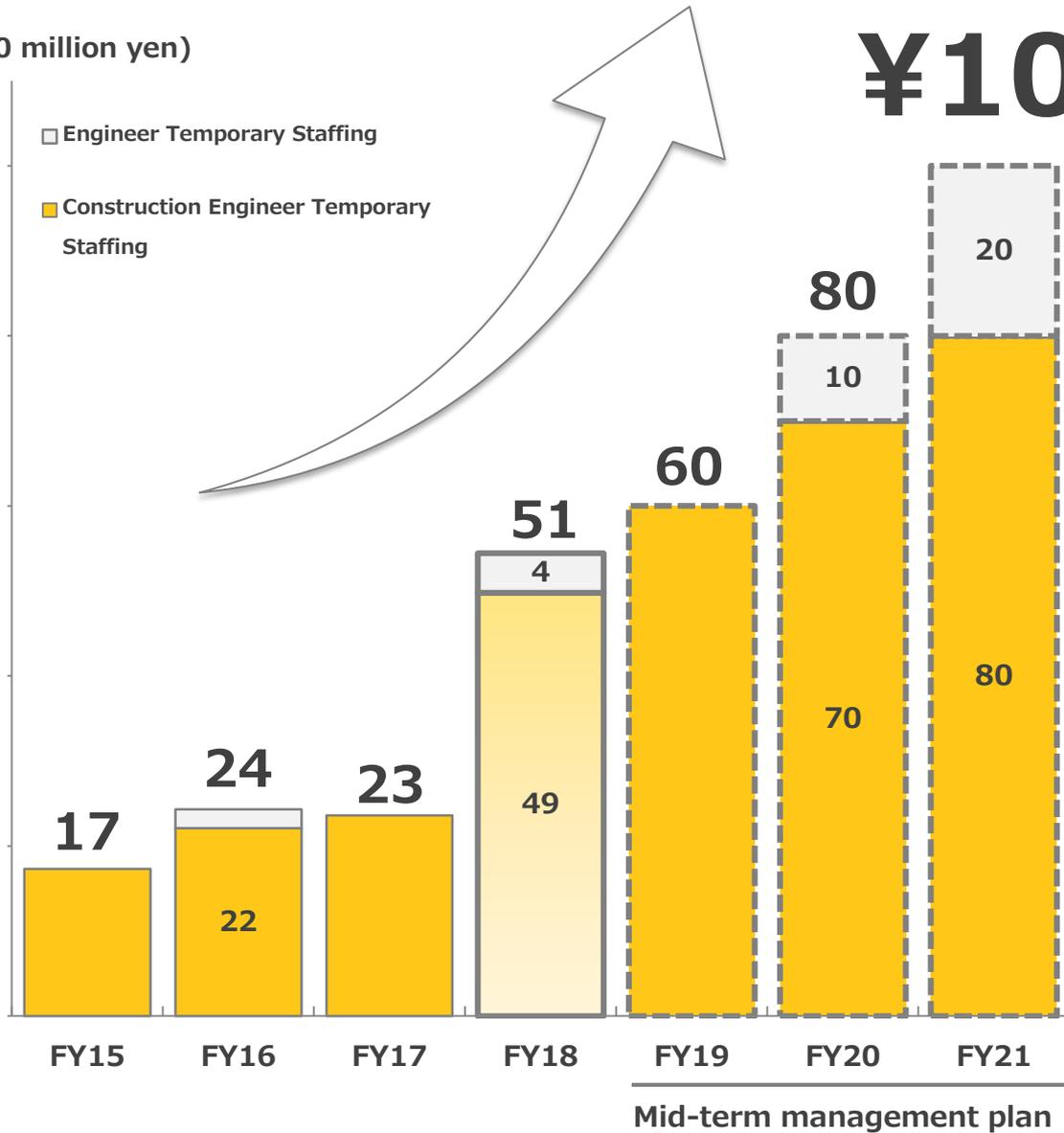
¥76.2 billion



Increase in engineers!!
Growth

Consolidated Operating Income Plan

(100 million yen)



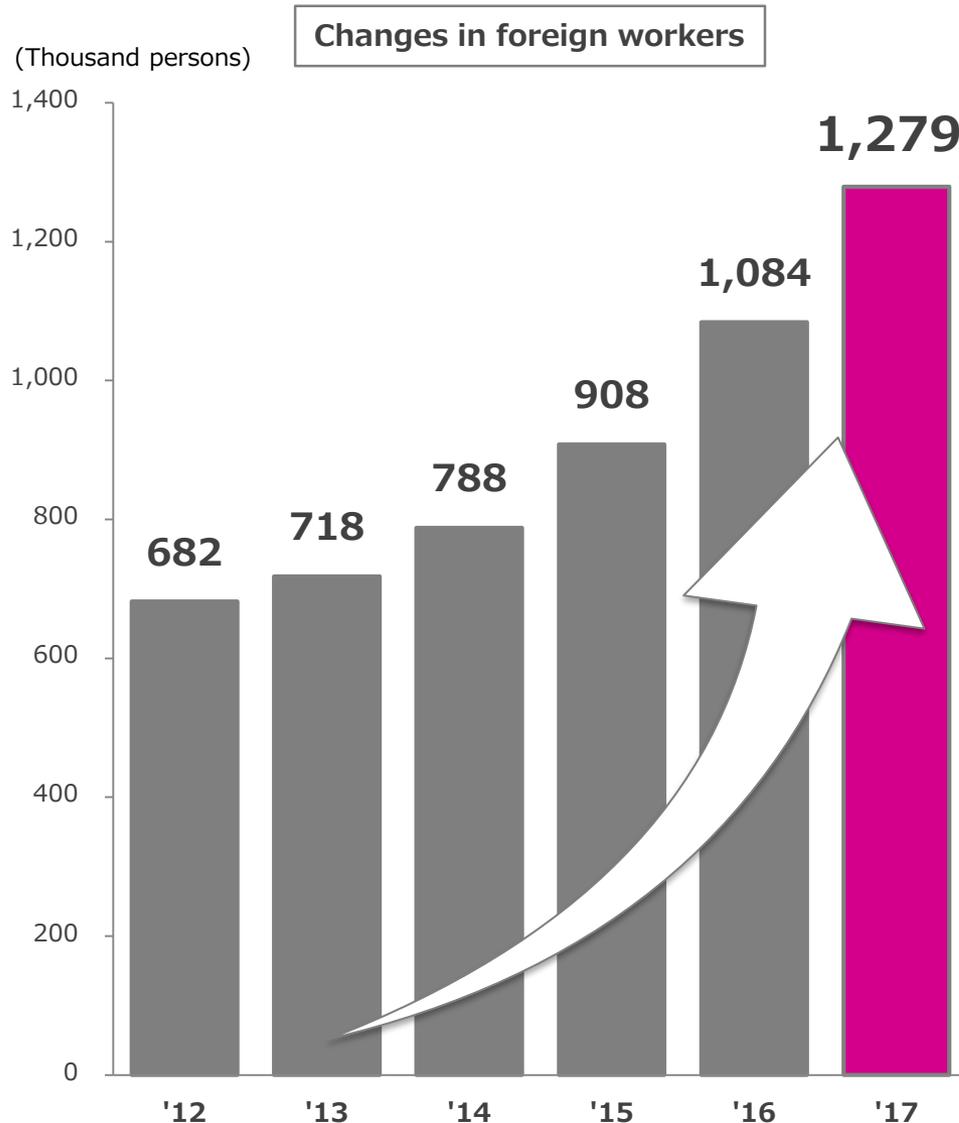
¥10 billion

Economies of scale!!

**Rapid
growth**

As a third business pillar Started a business using foreigners





Nearly doubled in 5 years

Flow of the Easing of Visas



Foreign human resources

Medium-and long-term economic growth bottleneck

Solve **labor shortage**
Overcome **low birthrate and an aging population**

Realization of sustainable growth

Securing human resources

Improvement in productivity

Acceptance of industry-ready foreigners

Establishment of resident status

Expand the needs of foreign human resources in the future

Achievements of Japanese Language Education



Foreign human resources



	Vietnam	Philippines
No. of foreigners visiting Japan (persons)	50	22
No. of students in training (persons)	35	31
No. of students who passed the Japanese language tests (persons) (JALT, NAT-TEST, Japanese language test)	86	13

(Achieved values in the last 2 years)

Establishment of Japanese Schools



Foreign human resources



Develop Japanese schools all over the world

The image features a central dark grey banner with white text. Above and below the banner are two rows of polaroid-style photographs of diverse individuals of various ages and ethnicities. The background is a light beige color.

**Aim to supply
10,000 foreigners
every year
after a few years**

1. 積極採用

No.1

2021年にグループで5,000人採用、
その後は10,000人採用、
在籍人数は20,000人目標

engineer temporary

2. 外国人材の獲得

staffing company

世界各地に日本語学校を開設
年間10,000人の外国人技術者を
日本に供給する

“YUME” as a global common language



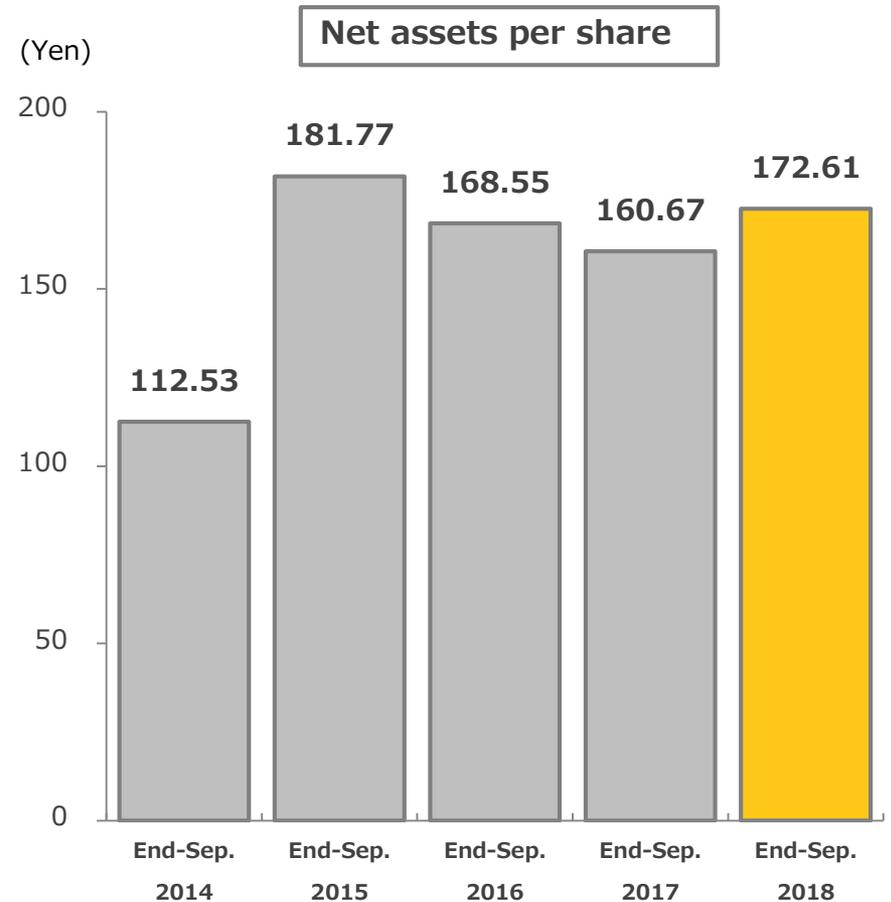
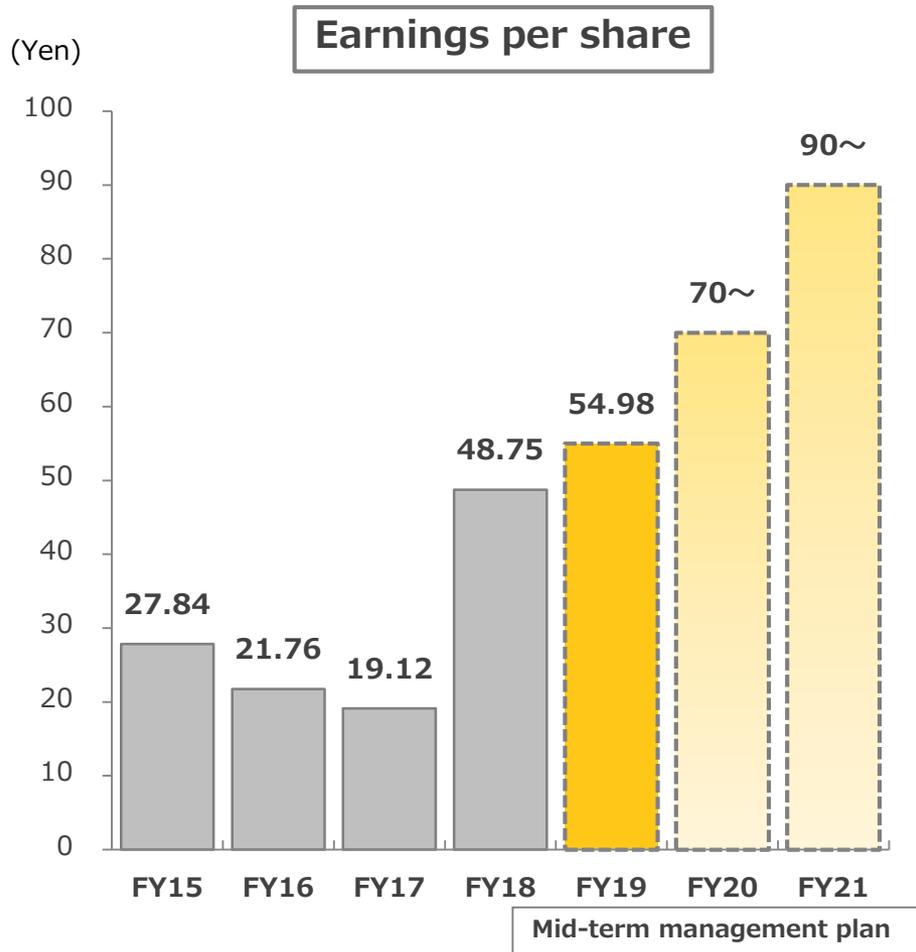
Reference

Reference

Shareholder Return (1)

Earnings and Net Assets per Share

- Earnings per share ⇒ expects a substantial increase in profit after FY2020 due to improvement in profit margin

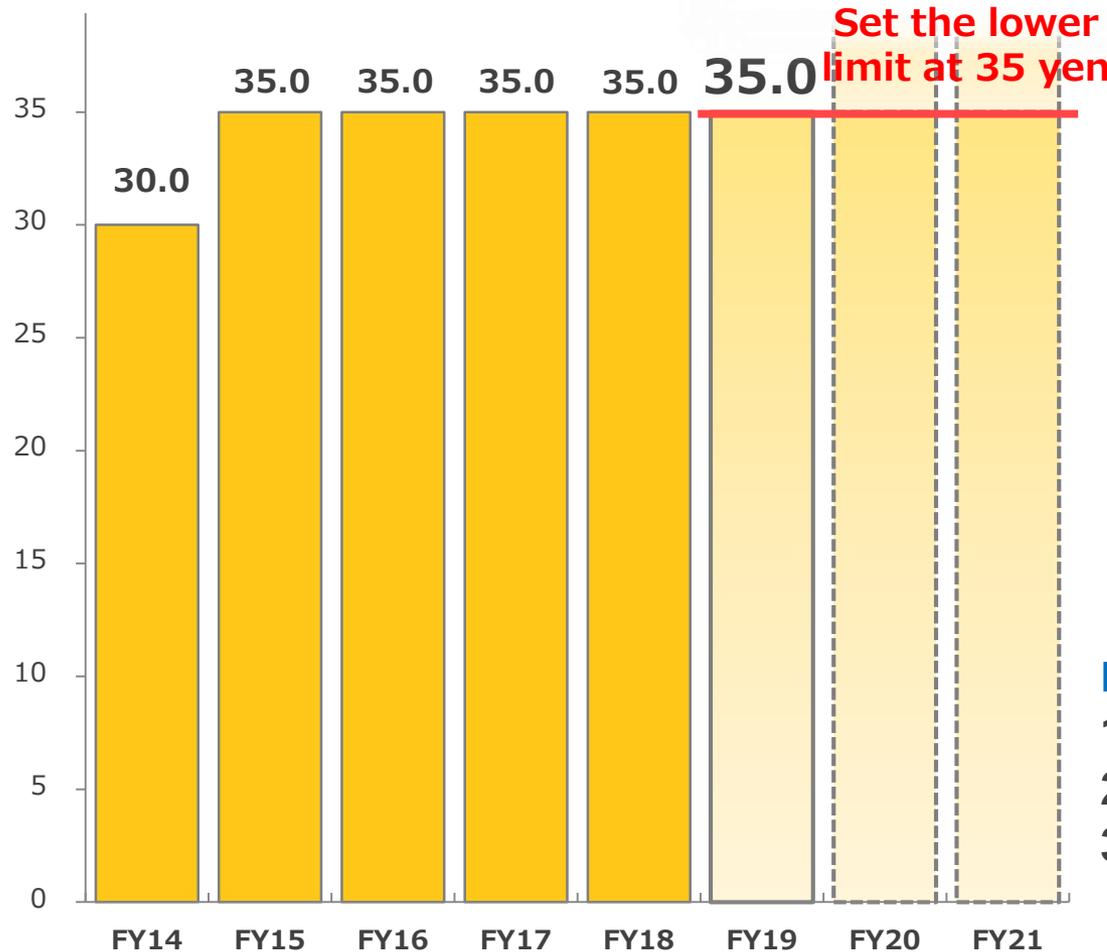


* 1. Earnings per share = Net income ÷ Average no. of shares during period × 100

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

Shareholder Return (2) Dividend per Share

(Yen)



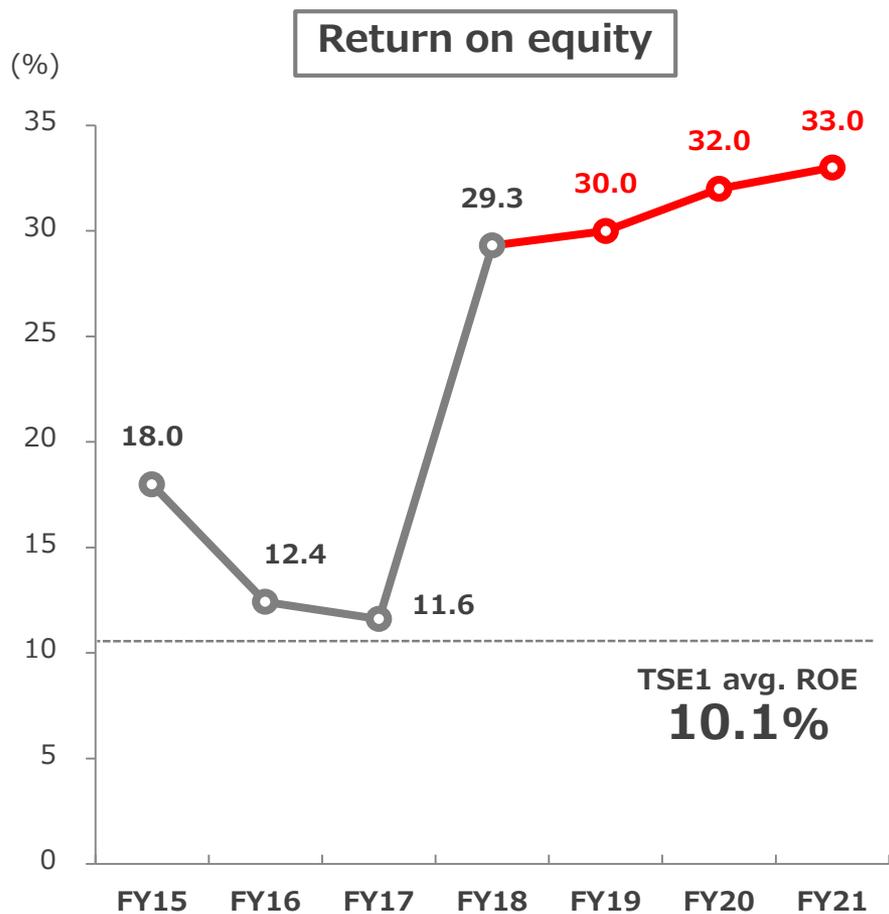
Mid-term management plan

**Aggressive
Investment**
with stable
dividend

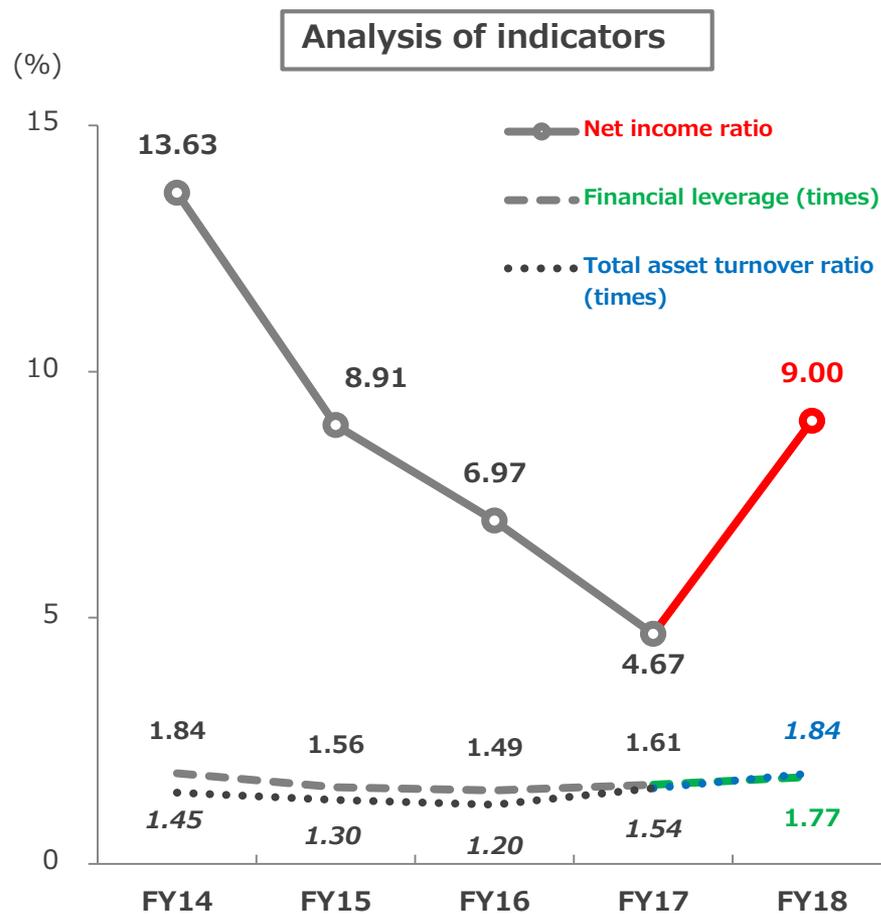
- Flexibly utilize EPS earnings growth**
1. Reinvestment in M&As, etc.
 2. Acquisition of treasury stock
 3. Increased dividend

Shareholder Return (3) Return on Equity (ROE)

- Aim to maintain 30% by improving profit margin and asset turnover ratio through high dividends and reinvestment



Mid-term management plan



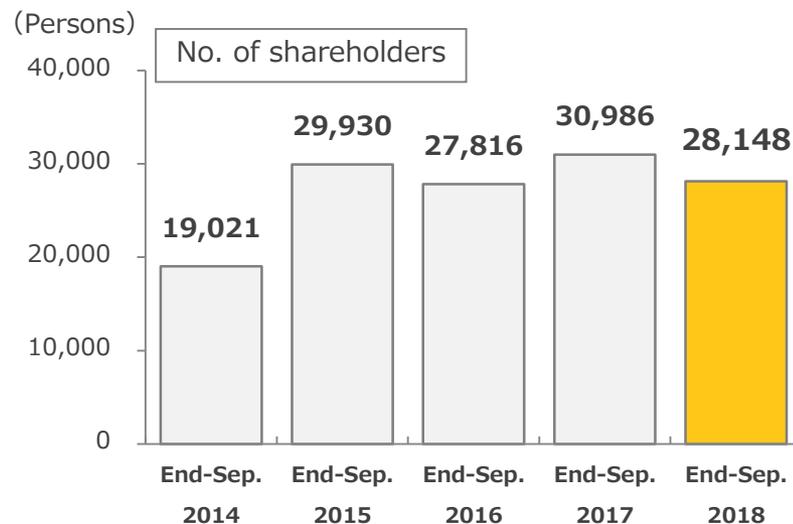
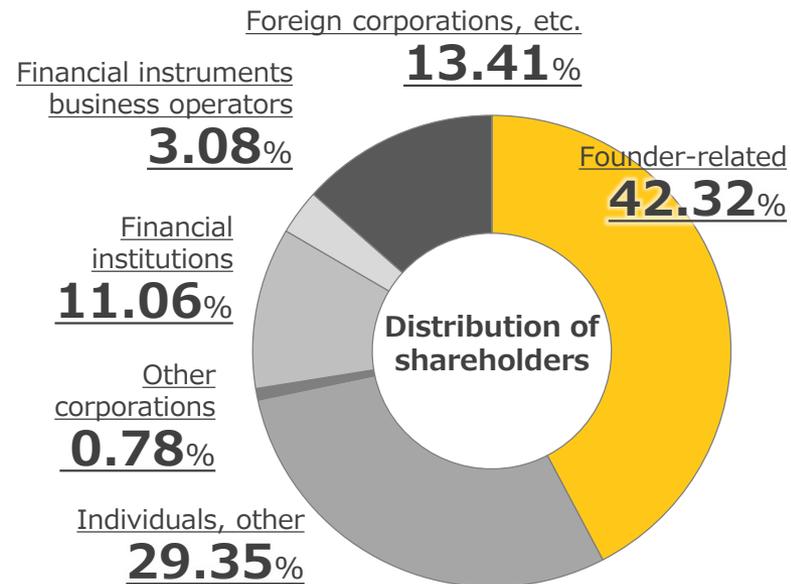
- * 1. Return on equity = Net income ÷ Shareholders' equity (avg. during period) × 100
2. Financial leverage = Total assets (avg. during period) ÷ Shareholders' equity (avg. during period)
3. Total asset turnover ratio = Sales ÷ Total assets (avg. during period)

4. ROE in the mid-term management plan is calculated based on a dividend of 35.0 yen every fiscal year

Reference (2) Shareholders Situation

As of Sep. 30, 2018

	Name of shareholders	No. of shares held (in thousands)	Ownership ratio (%)
1	Shingo Sato	18,425	24.70
2	Sato Sogo Kikaku	12,444	16.69
3	Japan Trustee Services Bank	3,324	4.46
4	The Master Trust Bank of Japan	3,150	4.22
5	Goldman Sachs International	964	1.29
6	Hideki Fukai	880	1.18
7	Trust & Custody Services Bank	691	0.93
8	Yoshiko Sato	688	0.92
9	MSIP Client Securities	569	0.76
10	JPMC Goldman Sachs	550	0.74
Total of top 10 largest shareholders		41,971	56.28



*Number of shares outstanding = 74,573,440 shares
 Treasury stock = 86 shares

Meeting people makes Everybody's dream come true





YUMESHIN

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JASDAQ

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