



YUMESHIN HOLDINGS CO.,LTD.

Yumeshin  
Holdings

# Fiscal year ending **September** 2021 Financial Results

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## – 1<sup>st</sup> Quarter –

February 5, 2021

September, 2021  
Stock code  
**2362**

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# 1<sup>st</sup> Quarter Highlights



Group

## 1. Consolidated P/L

Operating income increased 16%

Full-year plan progress rate 31%

## 2. Segment P/L

### 【Construction】

Resumed recruitment

Increase in the number of engineer due to improved retention rate

### 【Engineer】

Gross profit margin exceeded 25% due to increased unit price

Segment profit 547% YoY, Progress rate of full-year plan 55%

## 3. BeNext-Yumeshin Group Co.

Management integration with BeNEXT Group, Inc.

Aiming to be No.1 in the engineer temporary staffing market

# Highlights① Consolidated P/L



Group

YoY					Vs. Plan	(Million yen)
	FY2020/Q1	FY2021/Q1	Change	Pct. Change	FY2021 Forecasts	Rate of progress
Revenue	15,084	14,491	▲593	▲3.9%	61,000	23.8%
Gross profit	4,277 (28.4%)	4,035 (27.8%)	▲242	▲5.7%	—	—
SG&A Expenses	2,719 (18.0%)	2,663 (18.4%)	▲56	▲2.1%	—	—
Other revenue	78	531	+453	+581.7%	—	—
Operating profit	1,605 (10.6%)	1,869 (12.9%)	+263	+16.4%	6,000	31.2%
Profit before taxes	1,647 (10.9%)	1,859 (12.8%)	+211	+12.9%	5,800	32.1%
Profit attributable to owners of parent	940 (6.2%)	1,308 (9.0%)	+368	+39.1%	3,800	34.4%

\* ( ) = Ratio to sales

\* The Company has been changed its accounting standards for consolidated financial results to International Accounting Standards (IFRS) from the full-year results for FY9/20. In addition, results for FY9/21 adopt IFRS.

# Highlights② Segment P/L



Group

(Million yen)

1. Construction Engineer Temporary Staffing and Incidental Business	FY20/Q1 (IFRS)	FY21/Q1 (IFRS)	Change	Pct. change
Revenue	10,022	9,057	▲964	▲9.6%
Segment profit	1,830	1,658	▲171	▲9.4%

FY2021 Forecasts	Rate of progress
38,000	23.8%
6,000	27.6%

2. Engineer Temporary Staffing and Incidental Business	FY20/Q1 (IFRS)	FY21/Q1 (IFRS)	Change	Pct. change
Revenue	4,849	5,205	356	7.3%
Segment profit	77	500	423	547.8%

FY2021 Forecasts	Rate of progress
22,000	23.7%
900	55.6%

3. Other businesses	FY20/Q1 (IFRS)	FY21/Q1 (IFRS)	Change	Pct. change
Revenue	248	242	▲6	▲2.6%
Segment loss	▲96	▲31	64	—

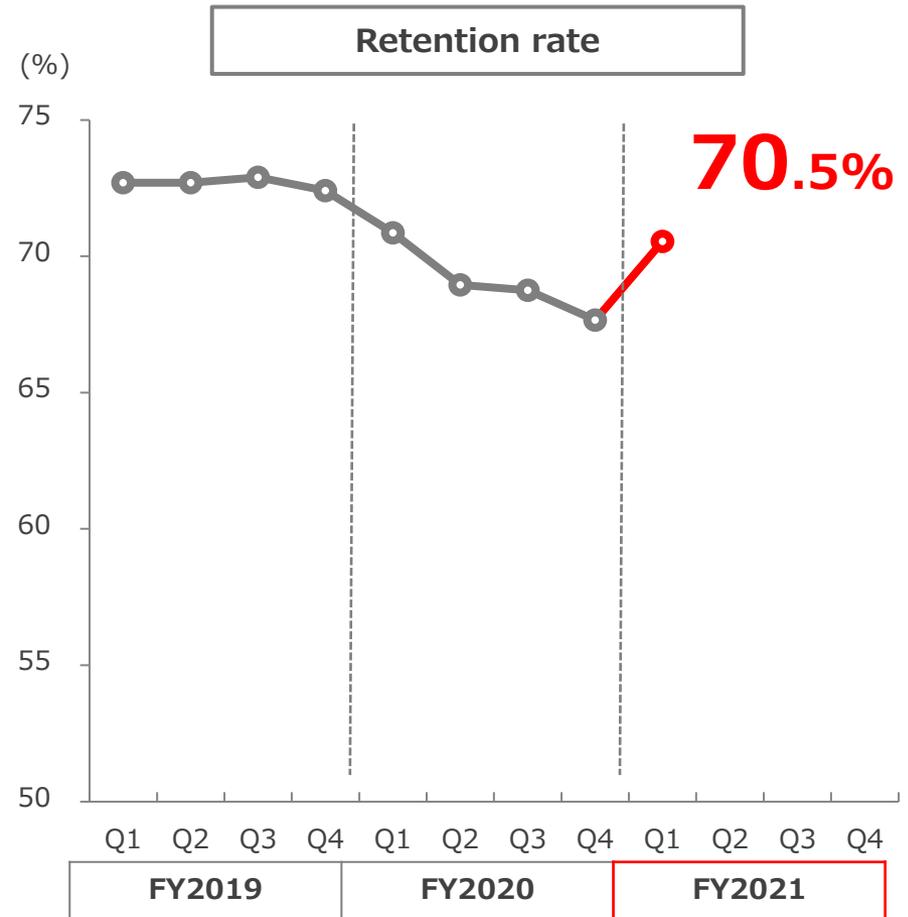
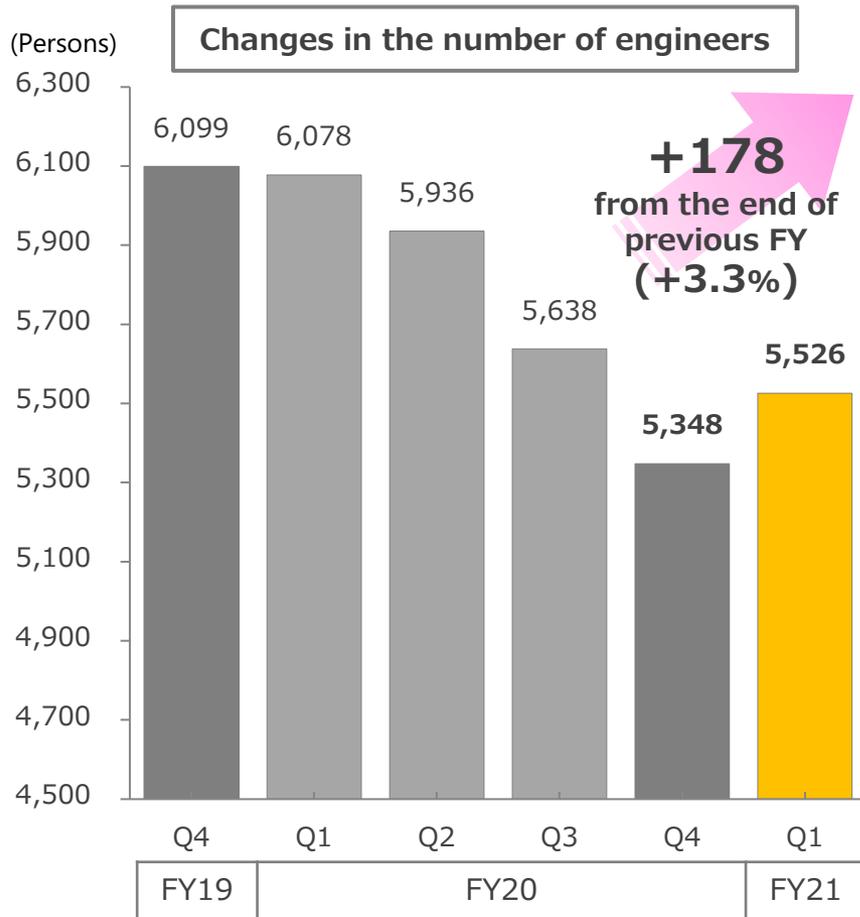
\* We does not disclose the forecasts for Other businesses.

\* The Company has been changed its accounting standards for consolidated financial results to International Accounting Standards (IFRS) from the full-year results for FY9/20. In addition, results for FY9/20 adopt IFRS.



# Highlights③ Number of Engineers/Retention Rate

- The number of retirees decreased by **38%** compared to the previous fiscal year due to the resumption of recruiting activities and full-scale launch of the Engineering Success Team (ES Team).
- Retention rate is based on annual figures, so quarterly figures will show further significant improvement.



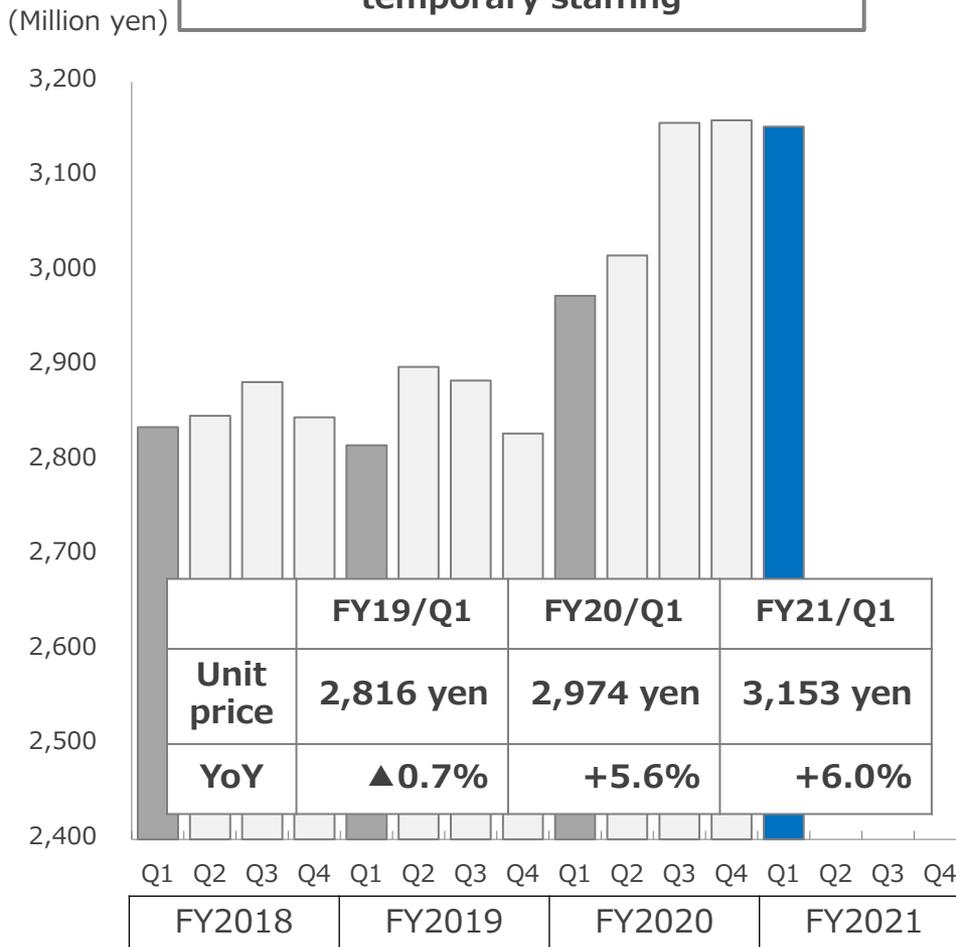
\*Retention rate = No. of engineers at the time of calculation / (No. of engineers a year ago + New hires during the year) x 100



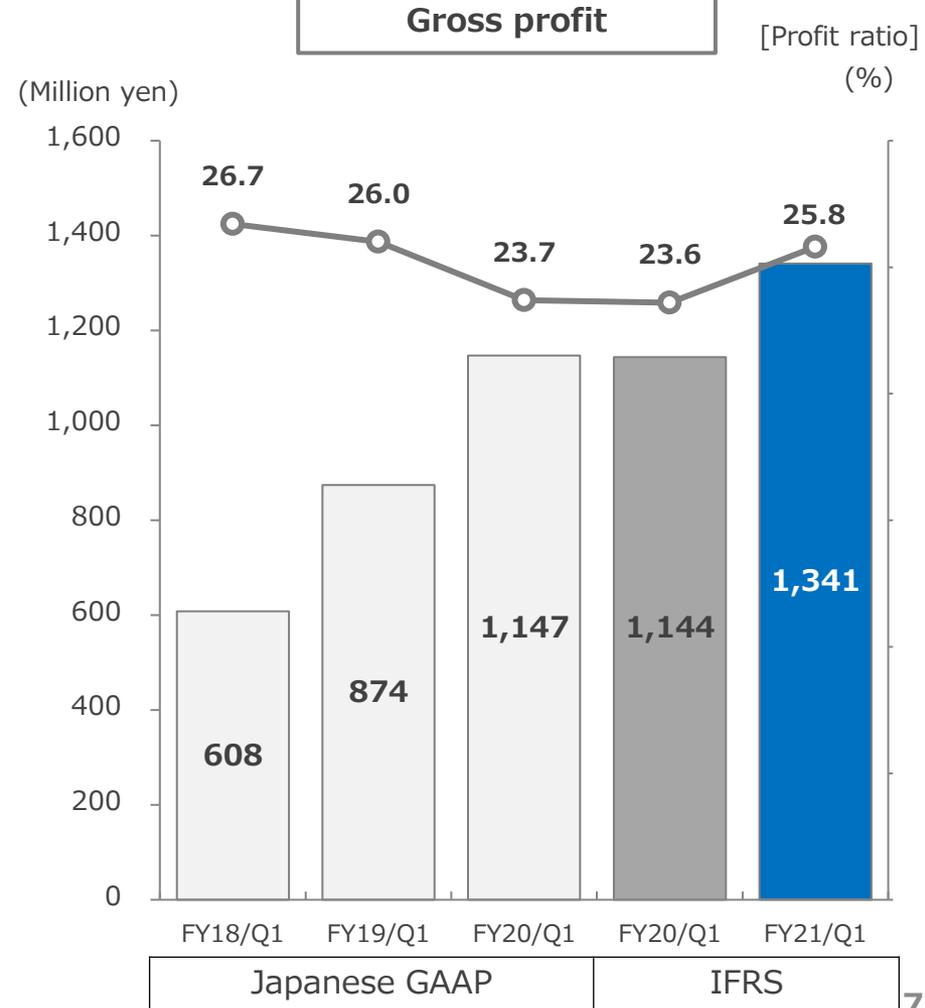
# Highlights④ Unit Price of Engineer Temporary Staffing/Gross Profit

- Increase in unit price of temporary staffing owing to the start of re-training for engineers from the beginning of FY2020
- Increase in gross profit as the unit price increase ratio was higher than the cost increase ratio

Quarterly unit price of temporary staffing



Gross profit



# Management Integration with BeNEXT Group Co.

BeNext-Yumeshin Group Co.  
On April 1, 2021



<b>Company Name</b>	<b>BeNEXT Group Inc.</b>
<b>Established</b>	<b>August 1997</b>
<b>Stock Listing</b>	<b>First Section of the Tokyo Stock Exchange</b>
<b>Representative</b>	<b>Yutaka Nishida, President and Representative Director</b>
<b>Business</b>	<b>Temporary Staffing Business</b>
<b>Net Sales</b>	<b>81,755 million yen (FY06/20)</b>
<b>Consolidated Operating Profit</b>	<b>4,666 million yen (FY06/20)</b>
<b>Business Segments</b>	<b>Engineering Field Manufacturing Field Overseas Field</b>
<b>Corporate philosophy</b>	<b>A world, forge career and drive change</b>



- Absorption merger on April 1, 2021
- YUMESHIN HOLDINGS to be delisted on March 30, 2021

	BeNEXT Group (Surviving company)	YUMESHIN HOLDINGS (Merged company)
Company name		
Merged ratio	<b>1</b>	<b>0.63</b>
Company name after merger	<b>BeNext-Yumeshin Group Co.</b> (Former : BeNEXT Group Inc. TSE 2154)	

Background of the management Integration	<ul style="list-style-type: none"> <li>Responding to the rapidly-growing engineer temporary staffing market</li> <li>High affinity between the management philosophies of the two companies</li> <li>Improve satisfaction of internal and external stakeholders</li> </ul>
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# New Company Profile



Management  
Integration

- Management integration to proceed under the spirit of equality between the two companies
- The company will focus on “Expand the business domain”, “Strengthen recruitment and human resource development capabilities”, “Strengthen financial base”

Company name	BeNext-Yumeshin Group Co.			
Stock Listing	First Section of the Tokyo Stock Exchange			
Representatives	Chairman and Representative Director Yutaka Nishida President and Representative Director Daio Sato			
Business	Temporary Staffing Business			
Fiscal year End	June. 30			
Board of Directors	From BeNEXT Group		From YUMESHIN HOLDINGS	
	Chairman and Representative Director	Yutaka Nishida	President and Representative Director	Daio Sato
	Director	Hiroshi Sato	Director	Kenjiro Ogawa
	Director	Noriyuki Murai	Director	Yoshiyasu Fujii
	Director (Outside)	Rieko Zamma	Director (Outside)	Tomohiro Sakamoto
	Director (Outside)	Arata Shimizu	Director (Outside)	Hajime Mita
	Auditor (Outside)	Fujio Shimokawa	Auditor (Outside)	Hirobumi Takahashi
	Auditor (Outside)	Toshio Nago	Auditor (Outside)	Hiroaki Rokugawa



## 1. Expansion of scale

**Toward No. 3 in the industry centered on engineer temporary staffing business through the combination of both companies**

## 2. To the top scale in the 3 main fields of Machinery & Electric, IT, and Construction

**There is no competition between the both companies in the field of Machinery & Electric and Construction**

## 3. Focus on IT engineers with high growth potential

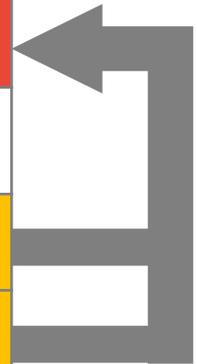
**Accelerate investment in recruitment and training  
Further growth to be ranked 1<sup>st</sup> in the IT field**



- Expanded to become the third position in the domestic engineer temporary staffing industry.

Company rankings for domestic engineer temporary staffing only

	Company Name	Sales (billion yen)
1	TechnoPro Holdings, Inc. (Domestic)	1,500
2	MEITEC CORPORATION	1,009
	<b>BeNext-Yumeshin Group Co.</b>	<b>958</b>
3	OUTSOURCING Inc. (Domestic Engineering)	913
<b>4</b>	<b>YUMESHIN HOLDINGS Co., Ltd.</b>	<b>520</b>
<b>5</b>	<b>BeNEXT Group Inc. (Engineering Field)</b>	<b>438</b>
6	WDB Holdings Co., Ltd.	431
7	Altech Corporation	363



Source) Our research focuses on listed companies.

# Expansion of Scale by integration



Management  
Integration

- Continue business in the construction and mechanical/electrical fields by leveraging the strengths of both companies
- Jointly focus on accelerating growth in the IT field

Business scale by Machinery and Electric Engineers

	Company name	Number of people
1	<b>MEITEC CORPORATION</b>	9,000
2	<b>OUTSOURCING Inc.</b> (Domestic Engineering)	8,500
3	<b>TechnoPro Holdings, Inc.</b> (Domestic)	5,500
	<b>BeNext-Yumeshin Group Co.</b>	5,000
4	<b>BeNEXT Group Inc.</b> (Engineering Field)	4,000
	<b>YUMESHIN HOLDINGS Co., Ltd.</b>	1,000

Business scale by Construction Engineers

	Company name	Number of people
	<b>BeNext-Yumeshin Group Co.</b>	5,500
1	<b>YUMESHIN HOLDINGS Co., Ltd.</b>	5,500
2	<b>TechnoPro Holdings, Inc.</b>	2,556
3	<b>OUTSOURCING Inc.</b> (Domestic Engineering)	2,500
4	<b>COPRO-HOLDINGS Co., Ltd.</b>	2,000

Business scale by IT Engineers

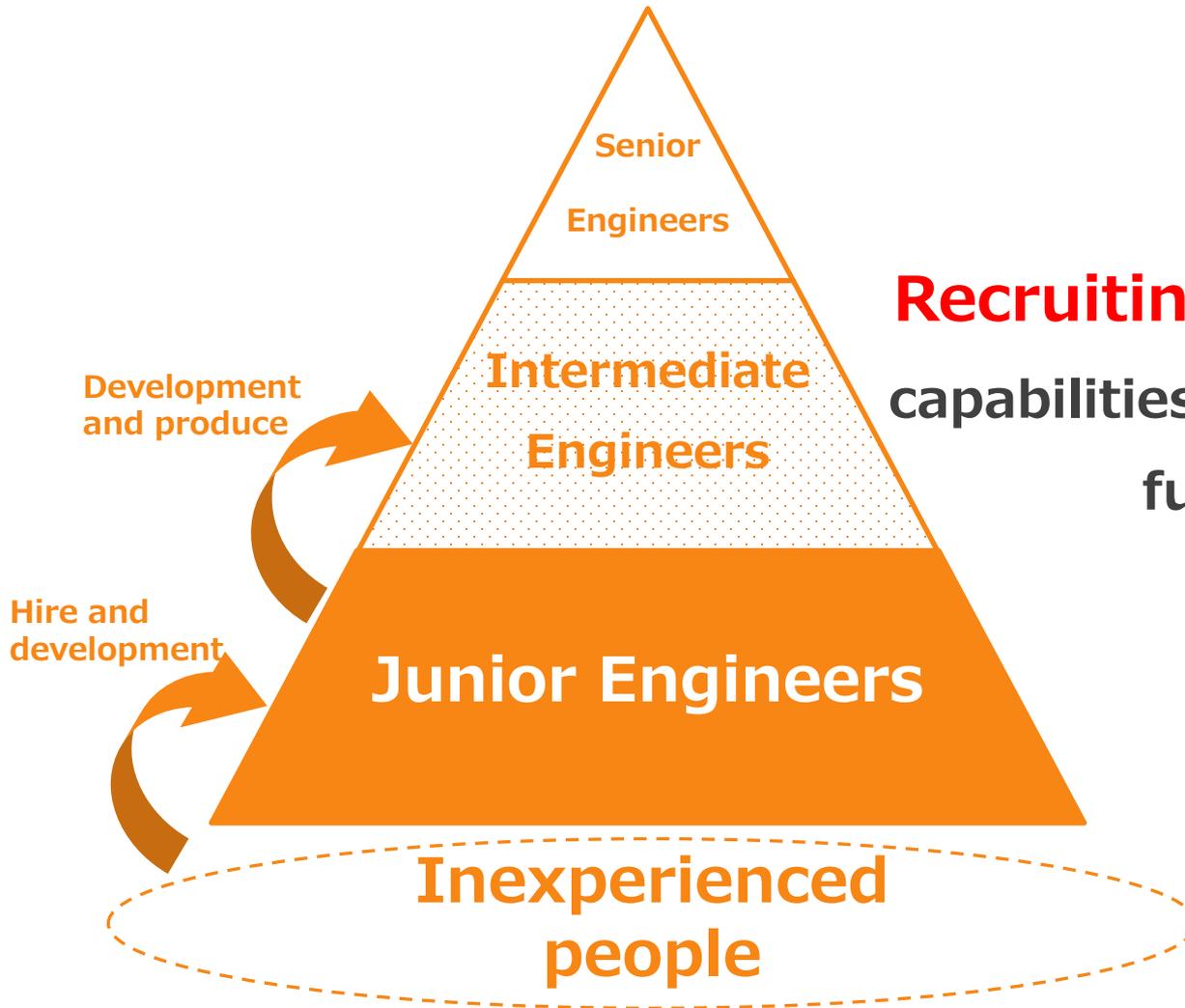
	Company name	Number of people
1	<b>TechnoPro Holdings, Inc.</b> (Domestic)	9,800
	<b>BeNext-Yumeshin Group Co.</b>	5,000
2	<b>OUTSOURCING Inc.</b> (Domestic Engineering)	3,600
3	<b>BeNEXT Group Inc.</b> (Engineering Field)	2,600
4	<b>YUMESHIN HOLDINGS Co., Ltd.</b>	2,400

Source) Our research focuses on listed companies.



■ Business model to train and produce engineers in short supply

**Recruiting** and **development** capabilities are important for the future growth.





- Both companies conducted M&A actively
- By sharing the know-how of both companies, proactively consider M&A in the future

## BeNEXT Group Inc.

Conducted M&A focusing on domestic IT-related and overseas temporary staffing companies

- FUSIONi Co., Ltd.
- Freedom Co., Ltd.
- Mtrec
- Gap Personnel
- Quattro
- Axis Create Inc.
- Arrow Trust Systems Co., Ltd.

## YUMESHIN HOLDINGS Co., Ltd.

Conducted M&A focusing on domestic IT-related and mechanical/electrical companies with strong technical capabilities

- KRUNGTHEP
- SANRITSU DESIGN
- Neplus Co., Ltd.
- Information Port Co., Ltd.
- Garenet Co., Ltd.
- Arrow Information Co., Ltd.

※ M&A performance of both companies over the past few years.

**Financial stability + Sourcing ability and Sharing PMI know-how**

**BeNext-Yumeshin Group Co.**

**Aiming to be the **No.1** in  
the engineer temporary  
staffing industry**

# Consolidated Financial Overview



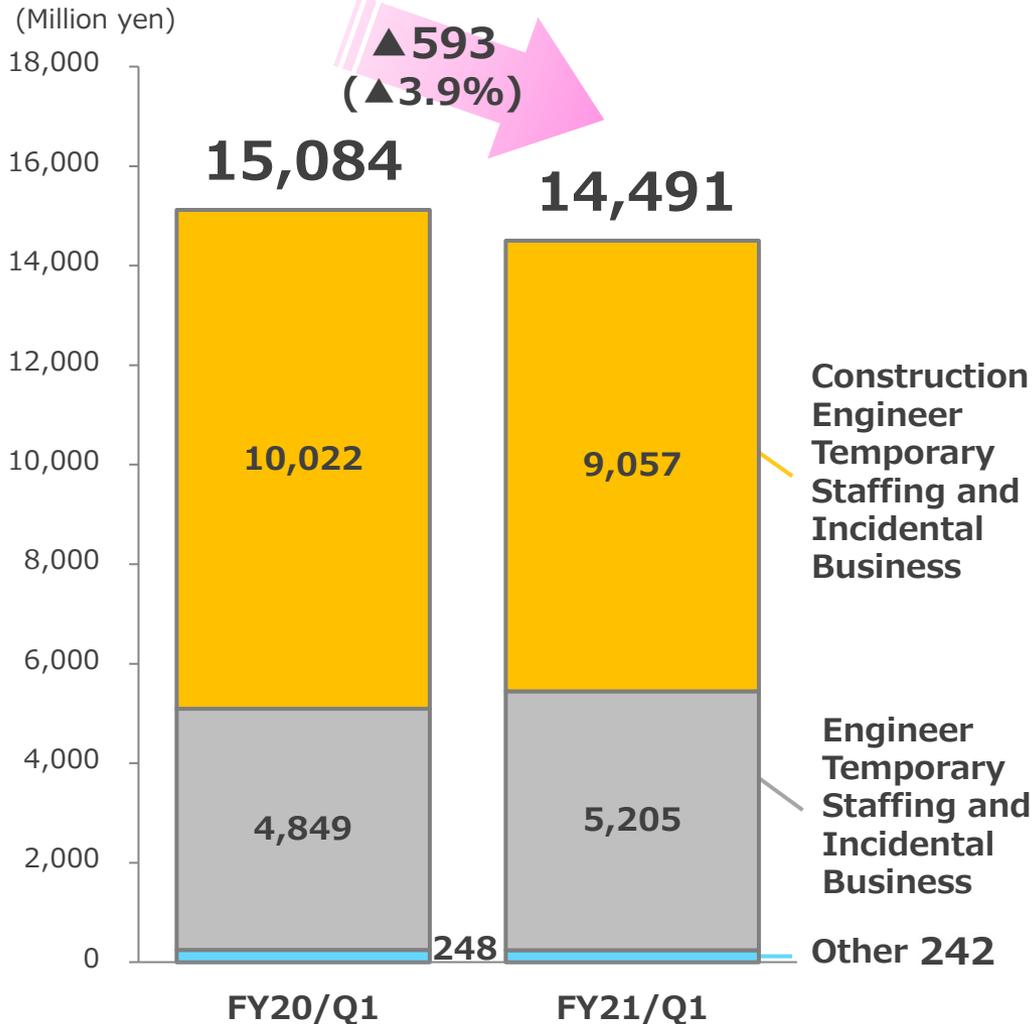
## Profit/Loss Statement

# Consolidated P/L (1) Revenue



Group

## ■ Steady progress as planned



### [Major factors for increase/decrease]

Construction Engineer Temporary Staffing and Incidental Business	▲964m (▲9.6%)
<ul style="list-style-type: none"> <li>Revenue decreased due to decline in enrollment</li> </ul>	
Engineer Temporary Staffing and Incidental Business	+356m (+7.3%)
<ul style="list-style-type: none"> <li>Revenue increased owing to higher unit price of temporary staffing</li> </ul>	
Other	▲6m (▲2.6%)
<ul style="list-style-type: none"> <li>Withdrawal from or reduction of unprofitable businesses</li> </ul>	

\* The Company has been changed its accounting standards for consolidated financial results to International Accounting Standards (IFRS) from the full-year results for FY9/20. In addition, results for FY9/20 adopt IFRS.

# Consolidated P/L (2) SG&A expenses



Group

■ No significant change, properly controlled

(Million yen)

	FY20/Q1	FY21/Q1	Change	Remarks
Cost of sales	10,806	10,455	▲351	Decreased in the number of engineers
Cost of sales ratio	71.6%	72.2%	▲0.6pt.	
Gross profit	4,277	4,035	▲242	
Gross profit ratio	28.4%	27.8%	▲0.6pt.	
<b>SG&amp;A expenses</b>	<b>2,719</b>	<b>2,663</b>	<b>▲56</b>	
Directors' compensations	55	58	+3	
Personnel expenses	1,278	1,306	+27	
Advertising expenses	51	60	+9	
Recruiting expenses	561	562	+0	
Rents	102	75	▲26	
Business consignment expenses	159	140	▲18	
SG&A expenses ratio	18.0%	18.4%	+0.4pt.	

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

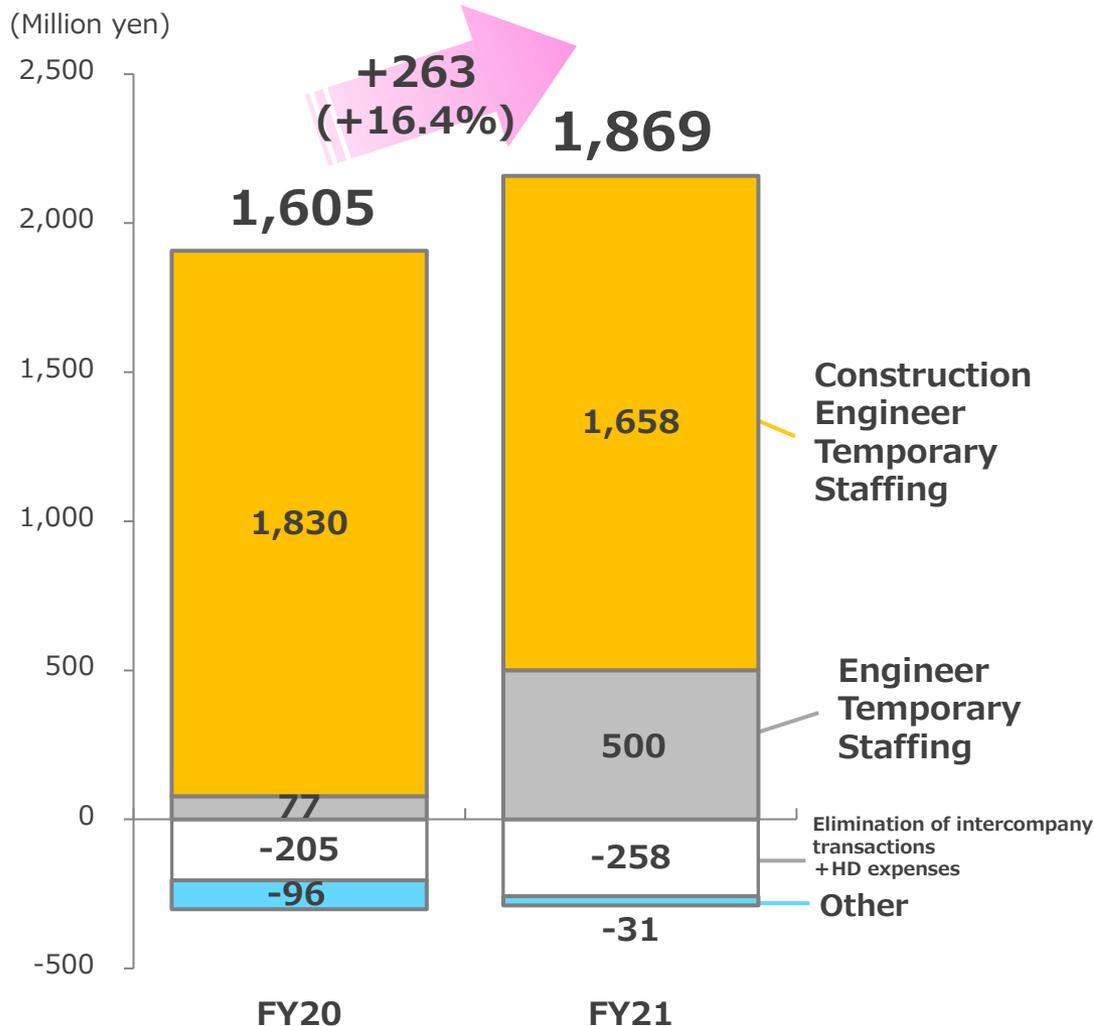
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# Consolidated P/L (3) Operating profit



Group

- Increased due to the rise in unit price of temporary staffing and control of SG&A expenses



## [Major factors for increase/decrease]

Construction Engineer Temporary Staffing and Incidental Business **▲171m**  
(▲9.4%)

- Profits decreased due to decline in enrollment

Engineer Temporary Staffing and Incidental Business **+423m**  
(+547.8%)

- Profits increased due to the rise in unit price of temporary staffing

Other **+64m**

- Loss narrowed due to downsizing and withdrawal from the recruitment consulting business

\* The Company has been changed its accounting standards for consolidated financial results to International Accounting Standards (IFRS) from the full-year results for FY9/20. In addition, results for FY9/20 adopt IFRS.

## Balance Sheet

# Consolidated B/S (1) Assets



Group

(Million yen)

	End-Sep. 2020	End-Dec. 2020	Change	Remarks
<b>Assets</b>	<b>36,399</b>	<b>33,272</b>	<b>▲3,126</b>	
<b>Current assets</b>	<b>24,774</b>	<b>21,810</b>	<b>▲2,964</b>	
Cash and cash equivalents	15,426	12,330	▲3,095	<i>Payment of income taxes payable and consumption taxes</i>
Trade and other receivables	7,528	7,629	+101	
Inventories	62	65	+3	
Other financial assets	146	145	▲1	
Other current assets	1,610	1,639	+28	
<b>Noncurrent assets</b>	<b>11,624</b>	<b>11,461</b>	<b>▲162</b>	
Tangible fixed assets	2,993	2,822	▲171	
Goodwill	3,428	3,428	±0	
Intangible assets	1,122	1,157	+34	
Investment real estate	224	223	▲1	
Other financial assets	1,790	1,769	▲20	
Deferred tax assets	2,028	2,028	±0	
Other noncurrent assets	35	30	▲4	

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



Group

(Million yen)

	End-Sep. 2020	End-Dec. 2020	Change	Remarks
<b>Liabilities + net assets</b>	<b>36,399</b>	<b>33,272</b>	<b>▲3,126</b>	
<b>Liabilities</b>	<b>24,837</b>	<b>21,923</b>	<b>▲2,914</b>	
<b>Current liabilities</b>	<b>17,013</b>	<b>12,855</b>	<b>▲4,157</b>	
Bonds and borrowings	2,674	3,794	+1,119	
Trade and other payables	566	559	▲7	
Other financial liabilities	1,653	1,230	▲423	
Accrued income tax	2,390	584	▲1,806	
Provisions	23	—	▲23	
Other current liabilities	9,703	6,687	▲3,016	Payment of accrued consumption tax
<b>Noncurrent liabilities</b>	<b>7,824</b>	<b>9,068</b>	<b>+1,243</b>	
Bonds and borrowings	6,050	7,432	+1,381	
Other financial liabilities	1,017	880	▲137	
Liabilities for retirement benefits	352	355	+3	
Provisions	182	170	▲11	
Deferred tax liabilities	216	216	±0	
Other noncurrent liabilities	4	12	+8	
<b>Assets</b>	<b>11,561</b>	<b>11,348</b>	<b>▲212</b>	
Capital	828	828	±0	
Capital surplus	10,803	10,803	±0	
Retained earnings	2,458	2,251	▲207	Net income for FY21/Q1 – Year-end dividend for FY20
Treasury stock	▲2,437	▲2,437	▲0	
Other components of capital	36	37	+1	
<b>Total equity attributable to owners of parent</b>	<b>11,689</b>	<b>11,483</b>	<b>▲206</b>	
Non-controlling interest	▲128	▲135	▲6	

# Shareholder Return



## 1. Interim dividend

15 yen per share (Initial forecast) → 0 yen (revised on Jan. 29)

Due to the business integration, the dividend amount is combined with the year-end dividend of integrated company

## 2. Dividend after business integration

Post-merger dividend policy undecided, but considering high dividends

[Reference] Dividend per share

	FY20/06 (Interim dividend)	FY2021/12 (Year-end dividend)	Full-year dividend
<b>BeNEXT Group Co.</b>	<b>17 yen</b>	<b>27 yen</b> (Forecast)	<b>44 yen</b> (Forecast)

When converted by multiplying by the merger ratio (0.63)



<b>Dividend equivalent of YUMESHIN HOLDINGS Co., Ltd.</b>	<b>27.72 yen</b> (Reference)
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# Appendix

Appendix

**Construction Engineer  
Temporary Staffing and  
Incidental Business**

# Summary of Segment P/L



Construction Engineer  
Temporary Staffing and  
Incidental Business

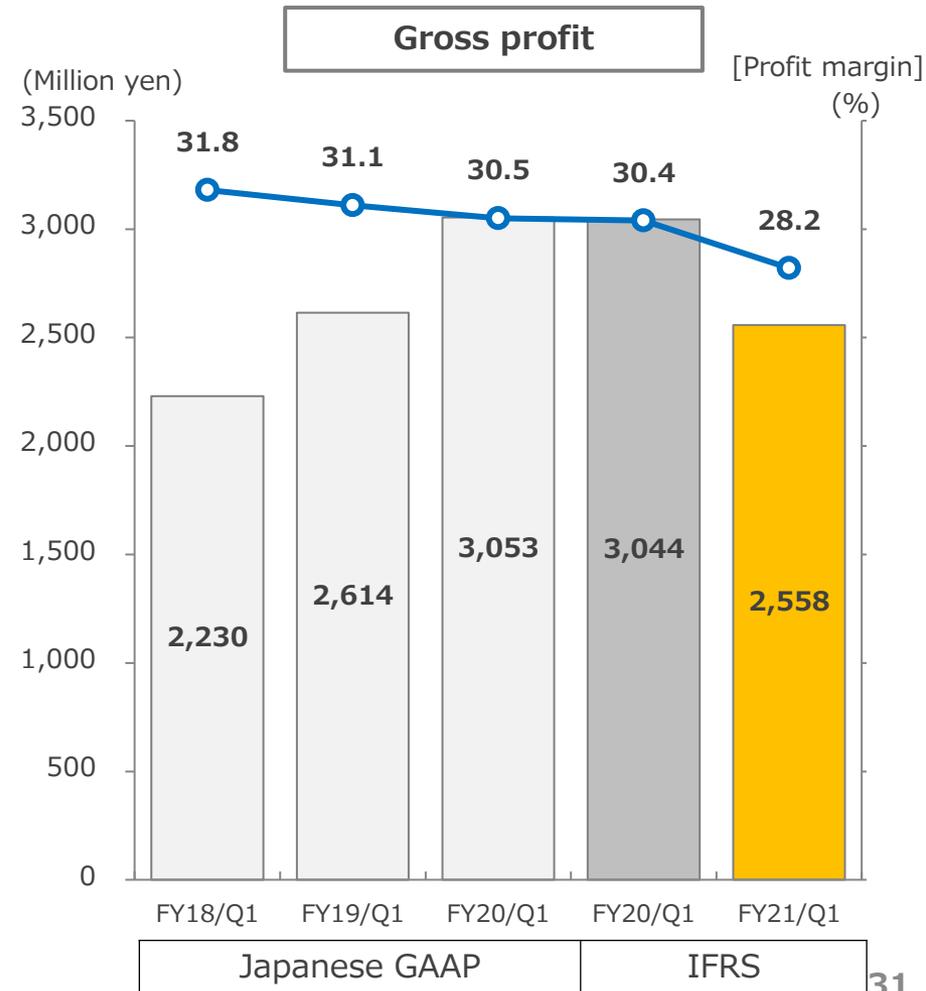
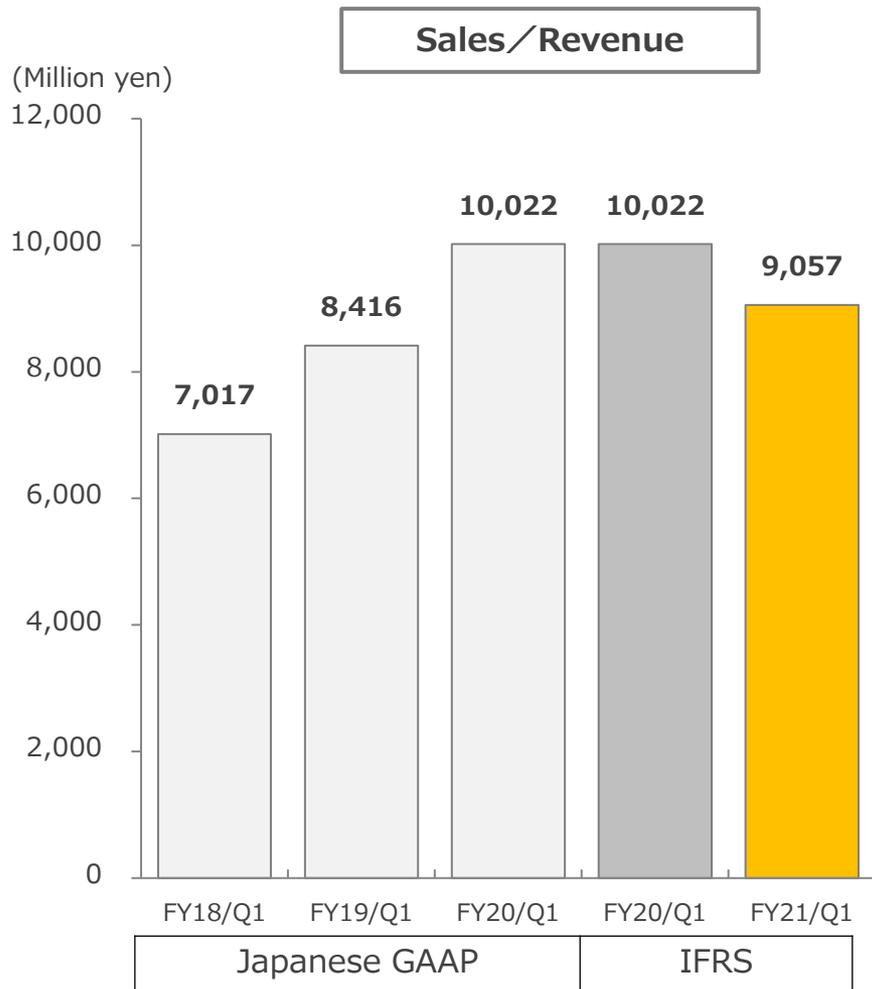
	(Million yen)			
	FY20/Q1 (IFRS)	FY21/Q1 (IFRS)	Change	Pct. change
Revenue	10,022	9,057	▲964	▲9.6%
Gross Profit	3,044	2,558	▲485	▲16.0%
SG&A expenses	1,214	1,267	+53	+4.4%
Segment profit	1,830	1,658	▲171	▲9.4%

\* We changed the consolidated accounting standards to International Financial Reporting Standards (IFRS) from the full-year results for the fiscal year ending September 2020. The figures for the fiscal year ended September 2020 are also in accordance with IFRS.

# Revenue/Gross Profit



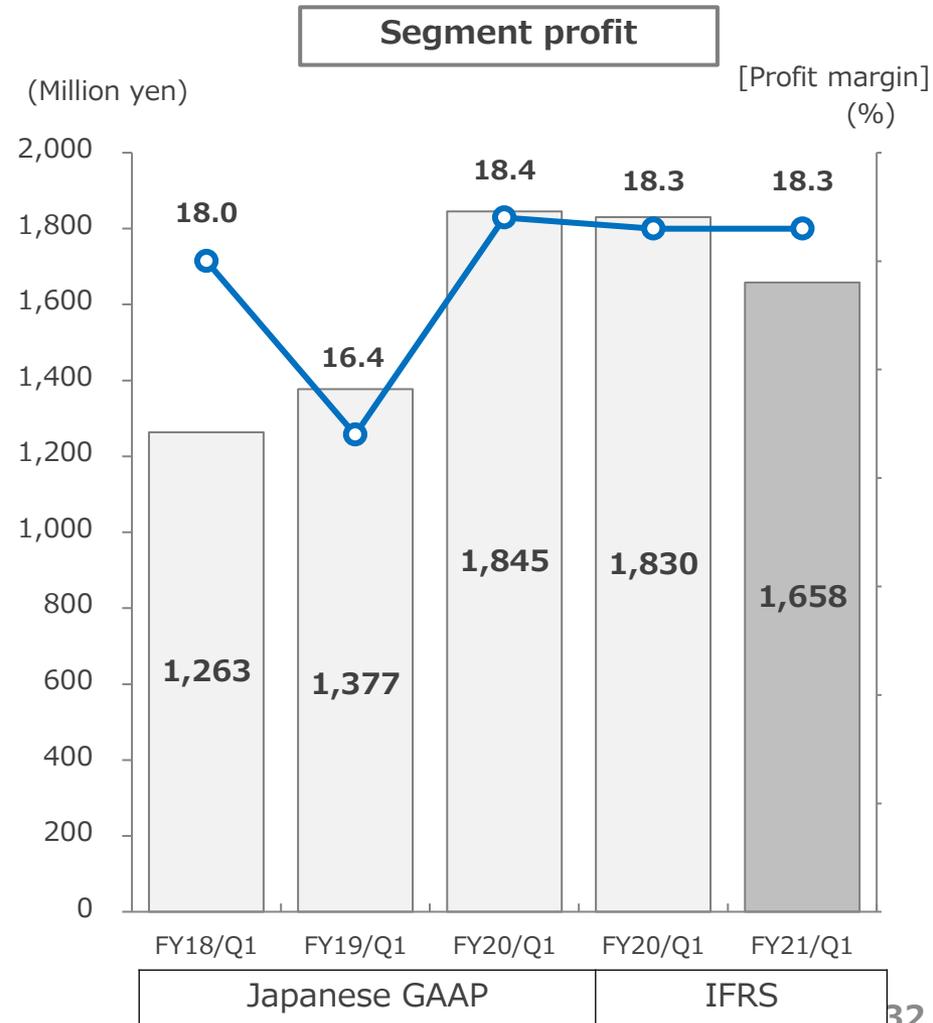
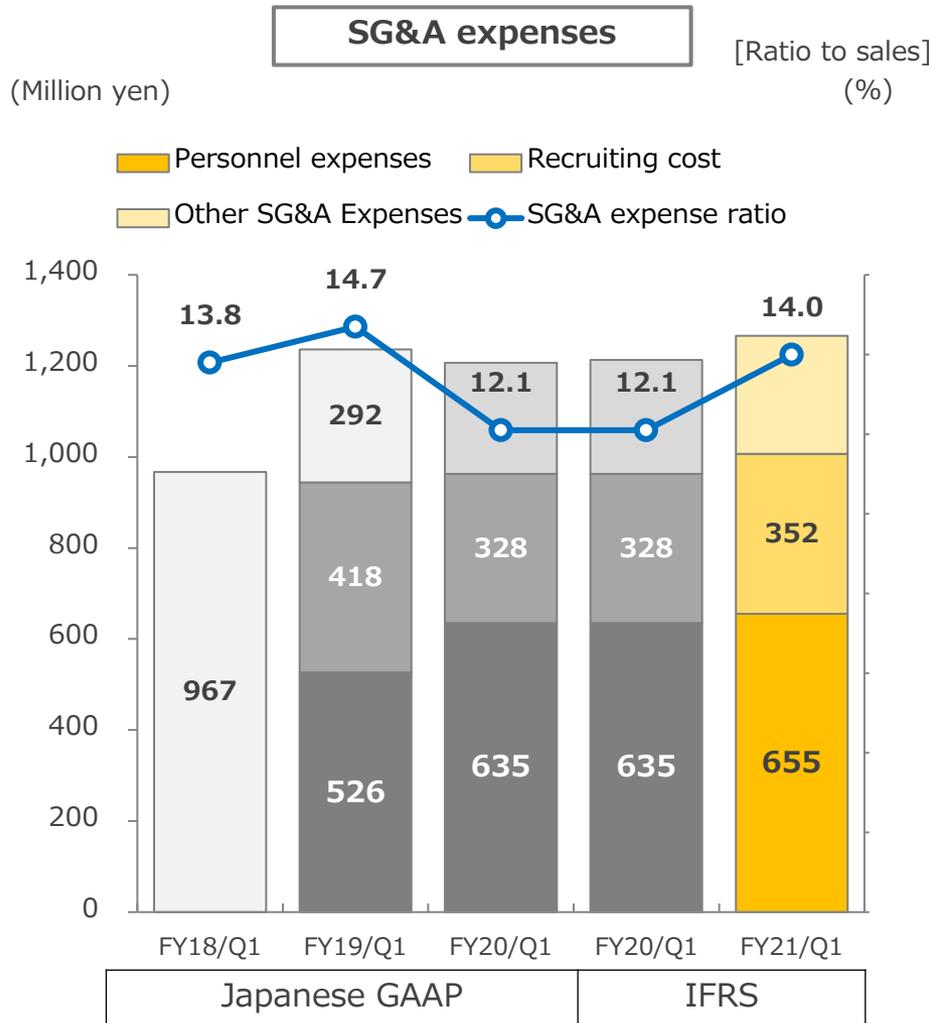
- Revenue ⇒ Down 9.6% YoY owing to the decline in the number of engineers at work
- Gross profit ⇒ Down 16.0% YoY due to lower utilization rate



# SG&A Expenses and Segment Profit



- SG&A expenses ⇒ Remained at the same level as the YoY result
- Segment profit ⇒ Down 9.4% YoY due to decline in sales



# Number of Engineers (1) Recruitment



- Resumed recruitment activities as the demand is recovering
- Recruitment results    Inexperienced : 478 people    Experienced : 107 people

(Unit : Persons)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Oct.-Mar. total
FY20 recruitment	635			584			1,219
FY21 recruitment	585						
Change	▲50						

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Apr.-Sep. total	Oct.-Sep. total
FY20 recruitment	295			291			586	1,805
FY21 recruitment								
Change								

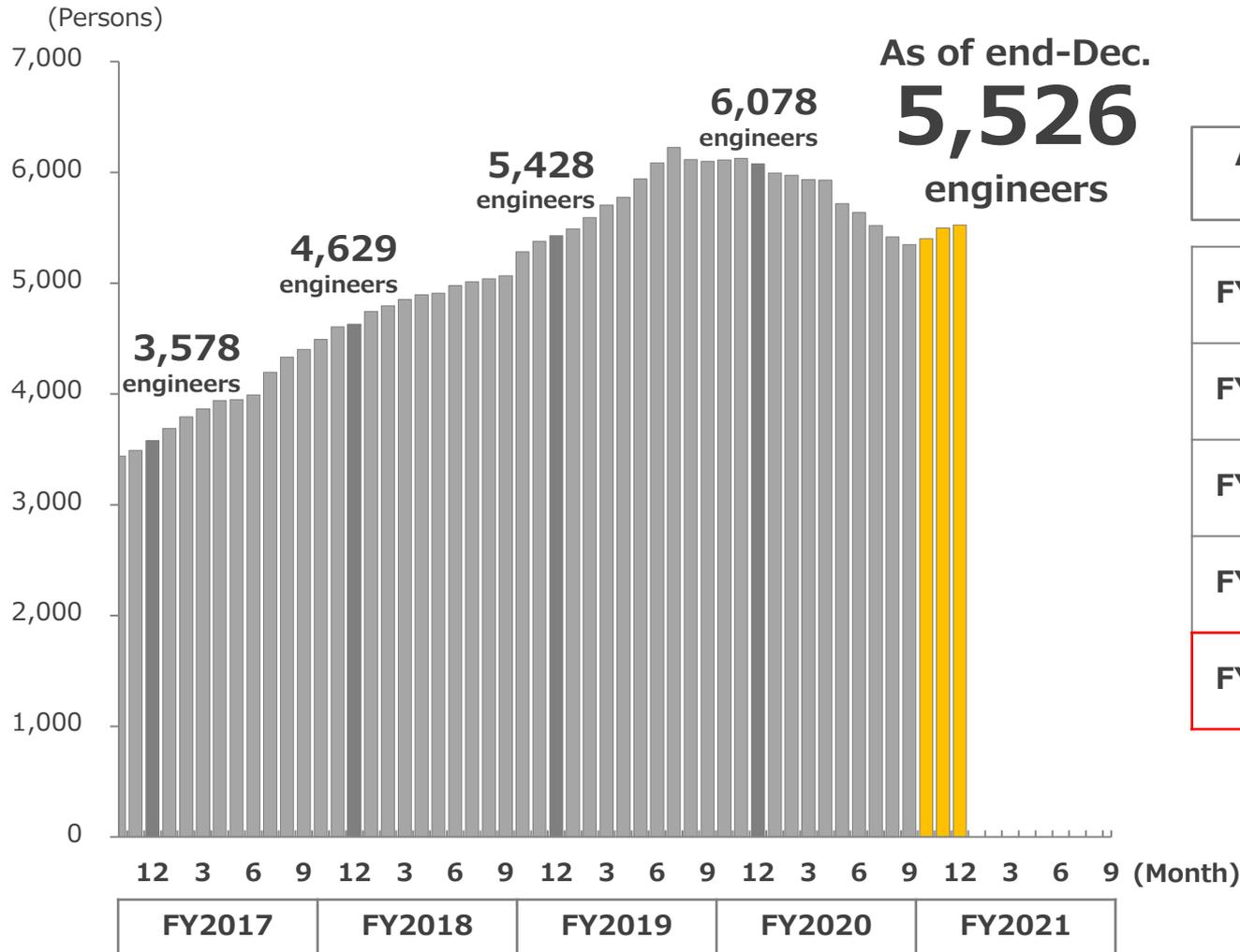
# Number of Engineers (2)

## Changes in the Number of Engineers



Construction Engineer  
Temporary Staffing and  
Incidental Business

- Down 552 from the end of the same month of the previous year, +178 engineers from the end of the previous fiscal year
- Increase in the number of engineers due to resumption of recruitment activities



**Avg. number of engineers**  
3-month avg. (Oct. – Dec.)

FY	Avg. number of engineers	YoY
FY17/Q1	3,503 engineers	
FY18/Q1	4,575 engineers	+30.6%
FY19/Q1	5,363 engineers	+17.2%
FY20/Q1	6,105 engineers	+13.8%
FY21/Q1	5,475 engineers	▲ 10.3%

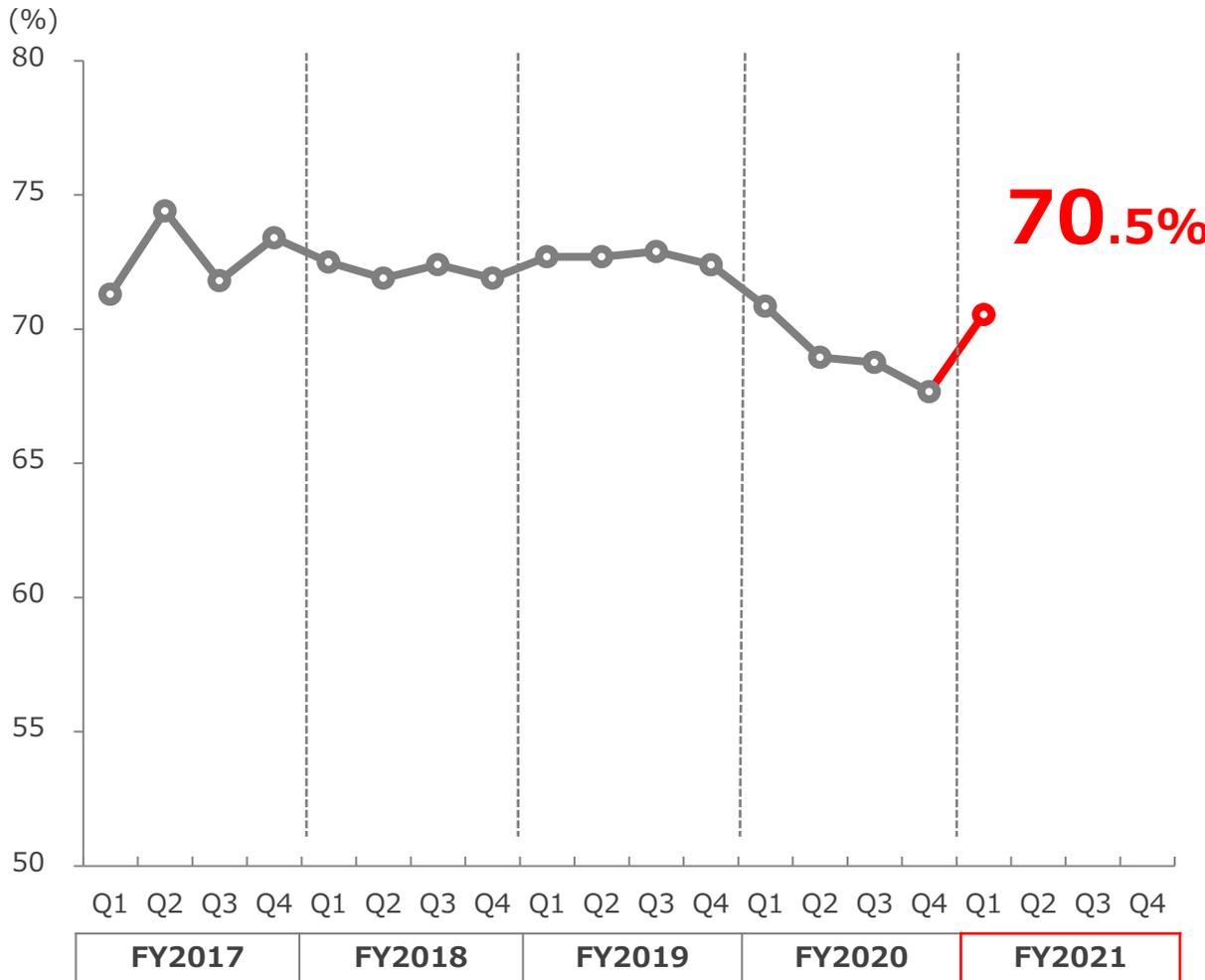
\* Number of engineers at the end of month

# Number of Engineers (3) Retention Rate



Construction Engineer  
Temporary Staffing and  
Incidental Business

- Resumption of recruiting activities and full-scale launch of Engineering Success Team (ES Team) led to a significant decrease in the number of retirees



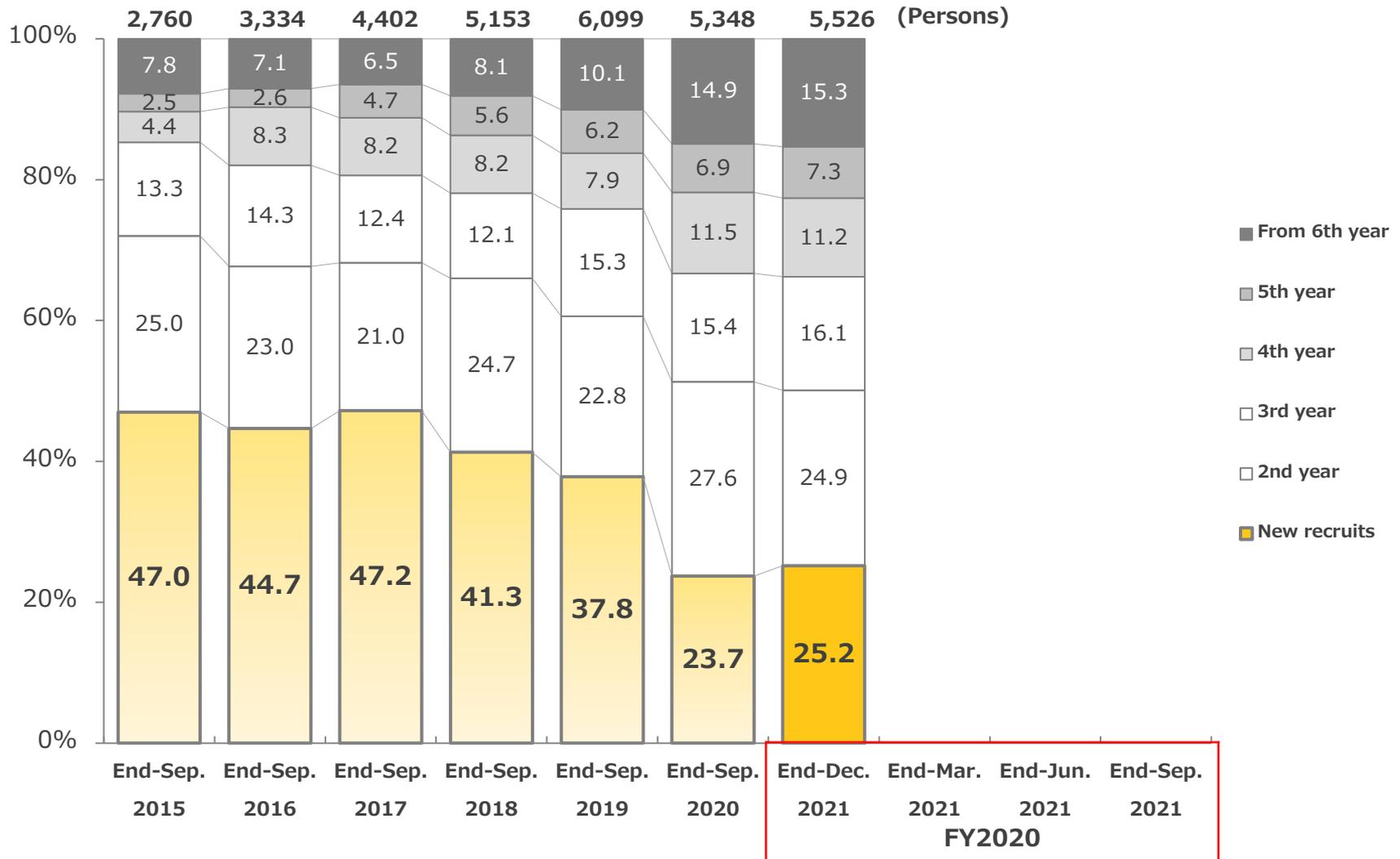
Avg. retention rate 3-month avg. (Oct. – Dec.)		
FY	Retention Rate	YoY
FY17/Q1	71.3%	YoY
FY18/Q1	72.5%	+1.2pt.
FY19/Q1	72.7%	+0.2pt.
FY20/Q1	70.9%	▲1.8pt.
FY21/Q1	70.5%	▲0.3%

\*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



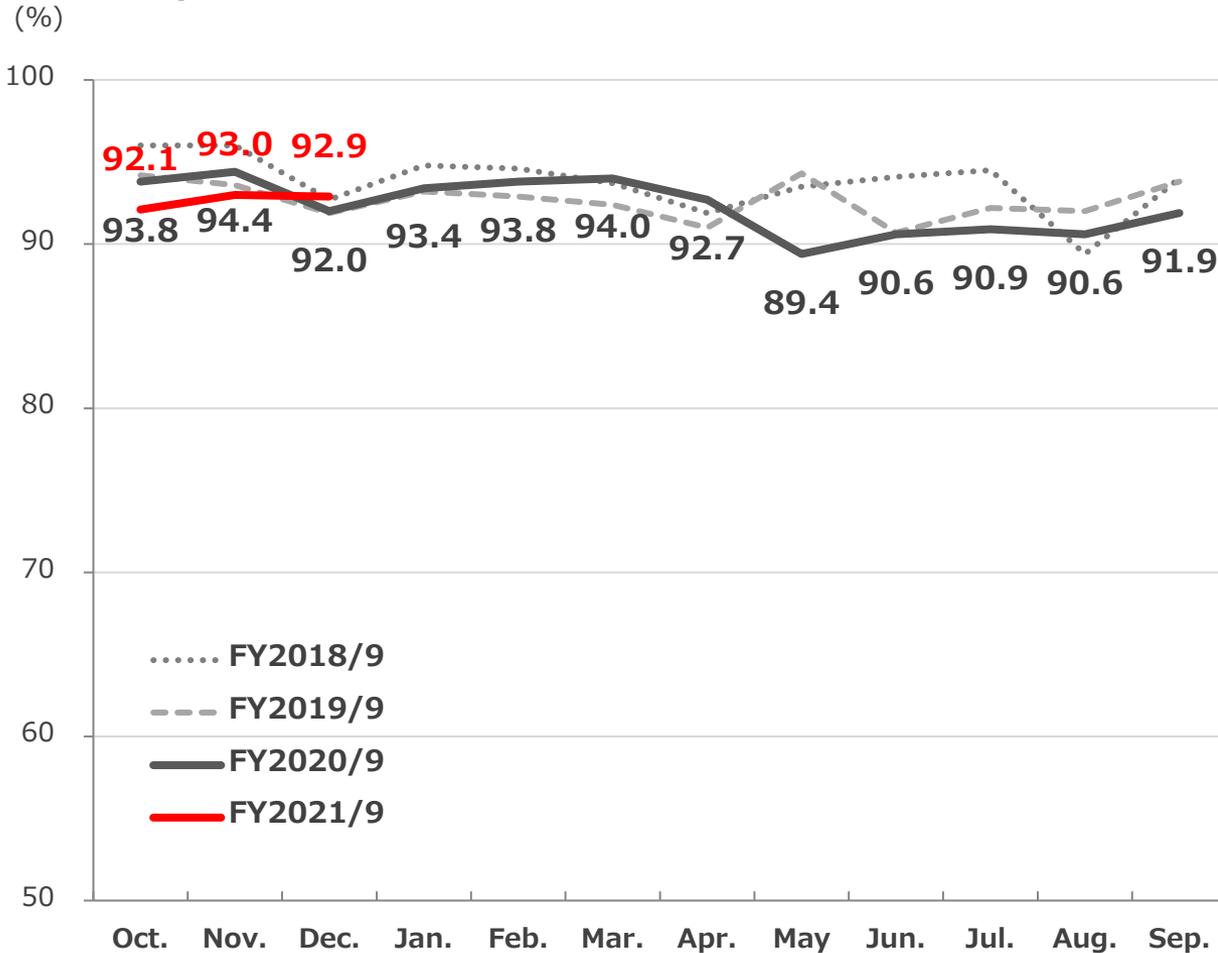
- Ratio of new employees slight increased due to the resumption of recruitment activities
- Well-balanced ratio through increasing the number of engineers in the 2nd year or higher



# Utilization rate



- Recovery trend toward the level before the declaration of the State of Emergency in April 2020



**Avg. Utilization rate**  
3-month avg. (Oct. – Dec.)

FY	Utilization Rate	YoY
FY18/Q1	94.9%	YoY
FY19/Q1	93.2%	▲ 1.7pt.
FY20/Q1	93.4%	+0.2pt.
FY21/Q1	92.7%	▲ 0.7pt.

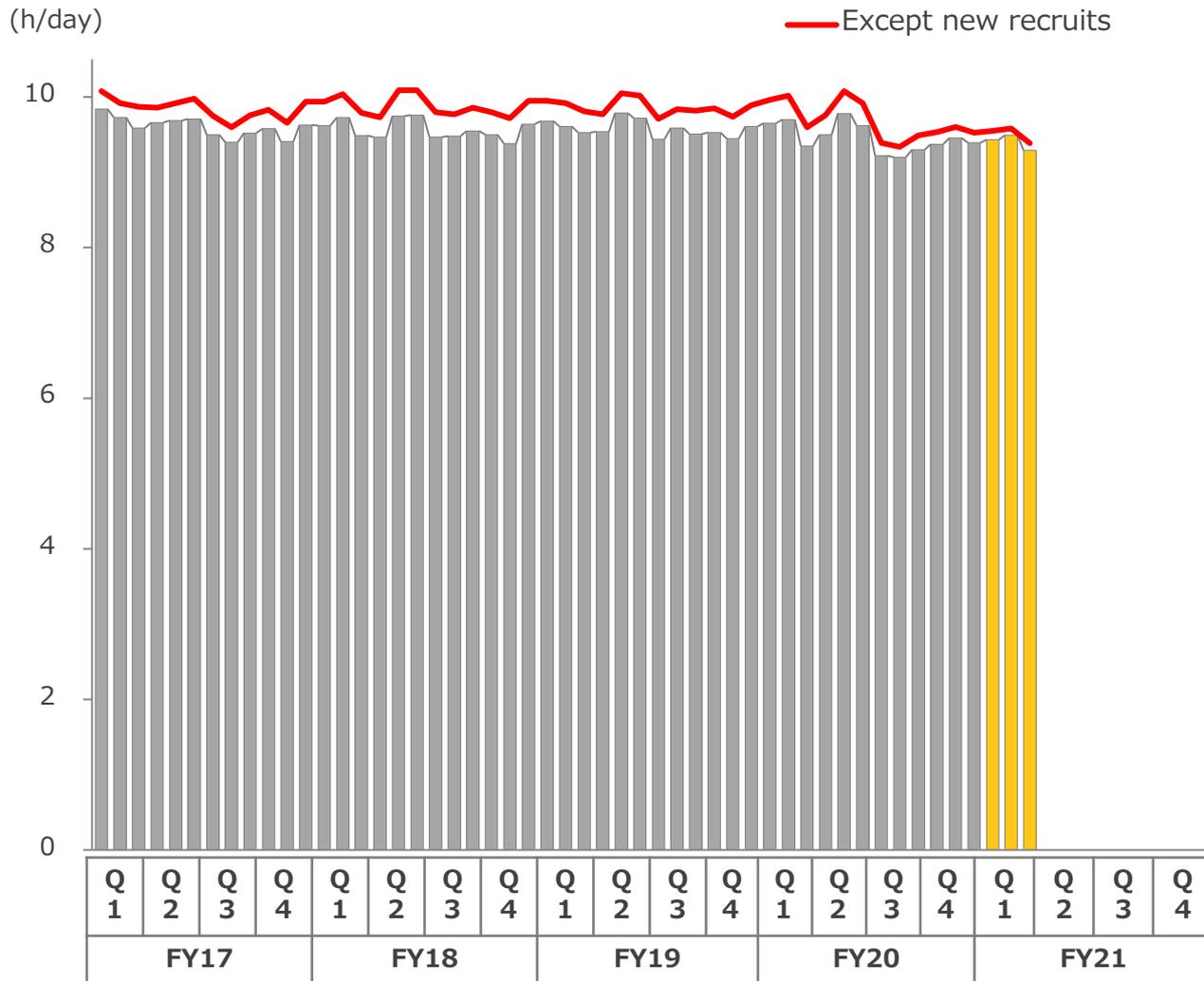
Q1	Q2	Q3	Q4
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\*Figures for July - September 2019 have been revised.

# Operating time



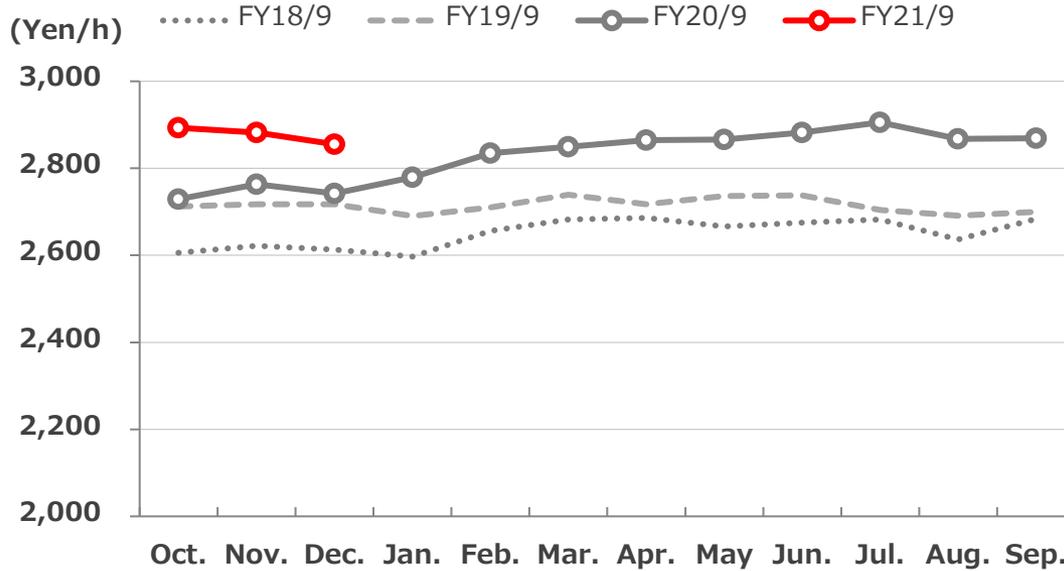
- Shortened overtime working hours due to the effect of the State of Emergency, but the trend remained flat
- No sharp recovery expected due to heightened awareness of labor management issues such as "Work Style Reform"



Avg. operating time of all engineers  
3-month avg. (Oct. – Dec.)

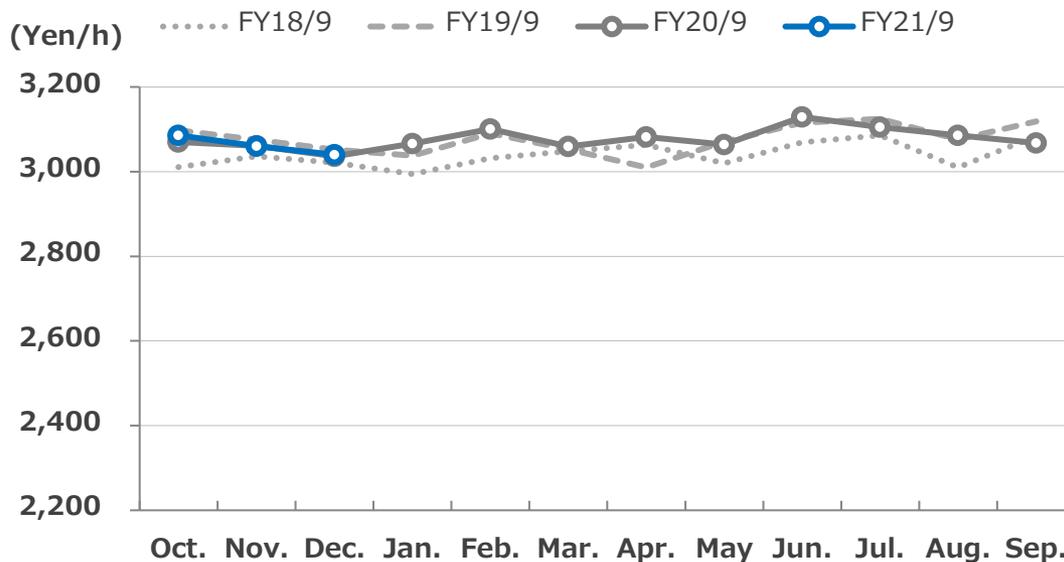
FY17/Q1	9.72h	YoY
FY18/Q1	9.61h	▲ 1.1%
FY19/Q1	9.61h	▲ 0.1%
FY20/Q1	9.57h	▲ 0.4%
FY21/Q1	9.41h	▲ 1.7%

# Unit Price of Temporary Staffing (1) New Recruits and 2<sup>nd</sup> Year



**New recruits only**  
3-month avg. (Oct. – Dec.)

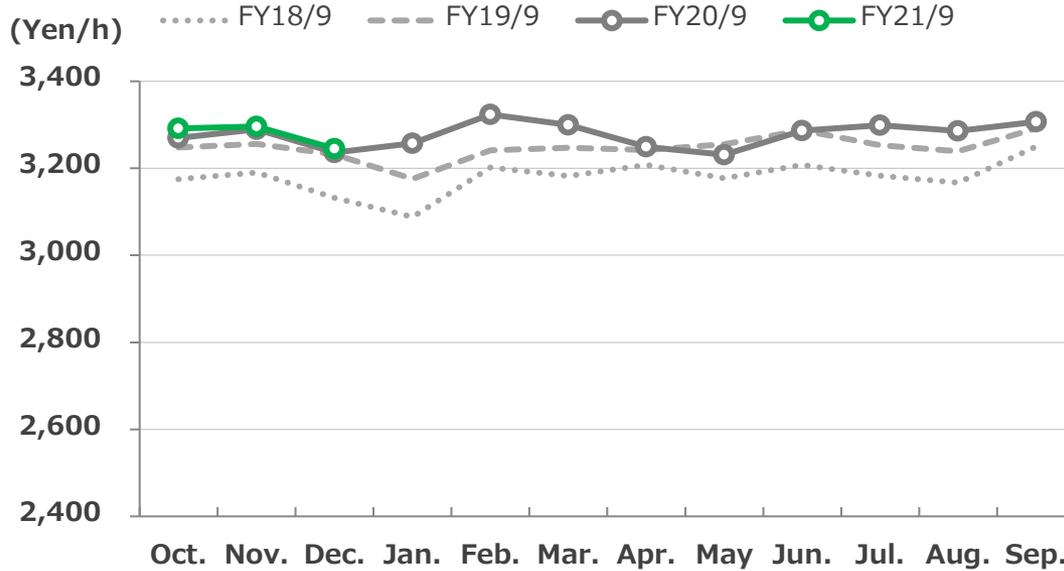
Fiscal Year	Unit Price (Yen/h)	YoY Change
FY18/Q1	2,614	
FY19/Q1	2,715	+3.9%
FY20/Q1	2,745	+1.1%
FY21/Q1	2,877	+4.8%



**2<sup>nd</sup> year only**  
3-month avg. (Oct. – Dec.)

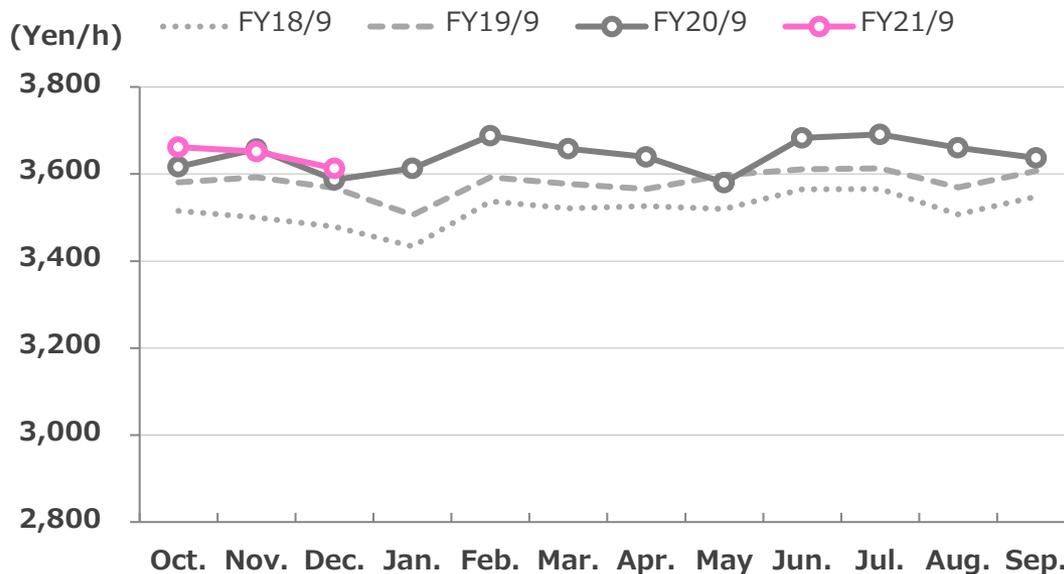
Fiscal Year	Unit Price (Yen/h)	YoY Change
FY18/Q1	3,023	
FY19/Q1	3,075	+1.7%
FY20/Q1	3,056	▲0.6%
FY21/Q1	3,062	+0.2%

# Unit Price of Temporary Staffing (2) From the 3<sup>rd</sup> and 4<sup>th</sup> Year and Over



**3<sup>rd</sup> year only**  
3-month avg. (Oct. – Dec.)

FY	Unit Price (Yen/h)	YoY Change
FY18/Q1	3,166	
FY19/Q1	3,245	+2.5%
FY20/Q1	3,265	+0.6%
FY21/Q1	3,278	+0.4%



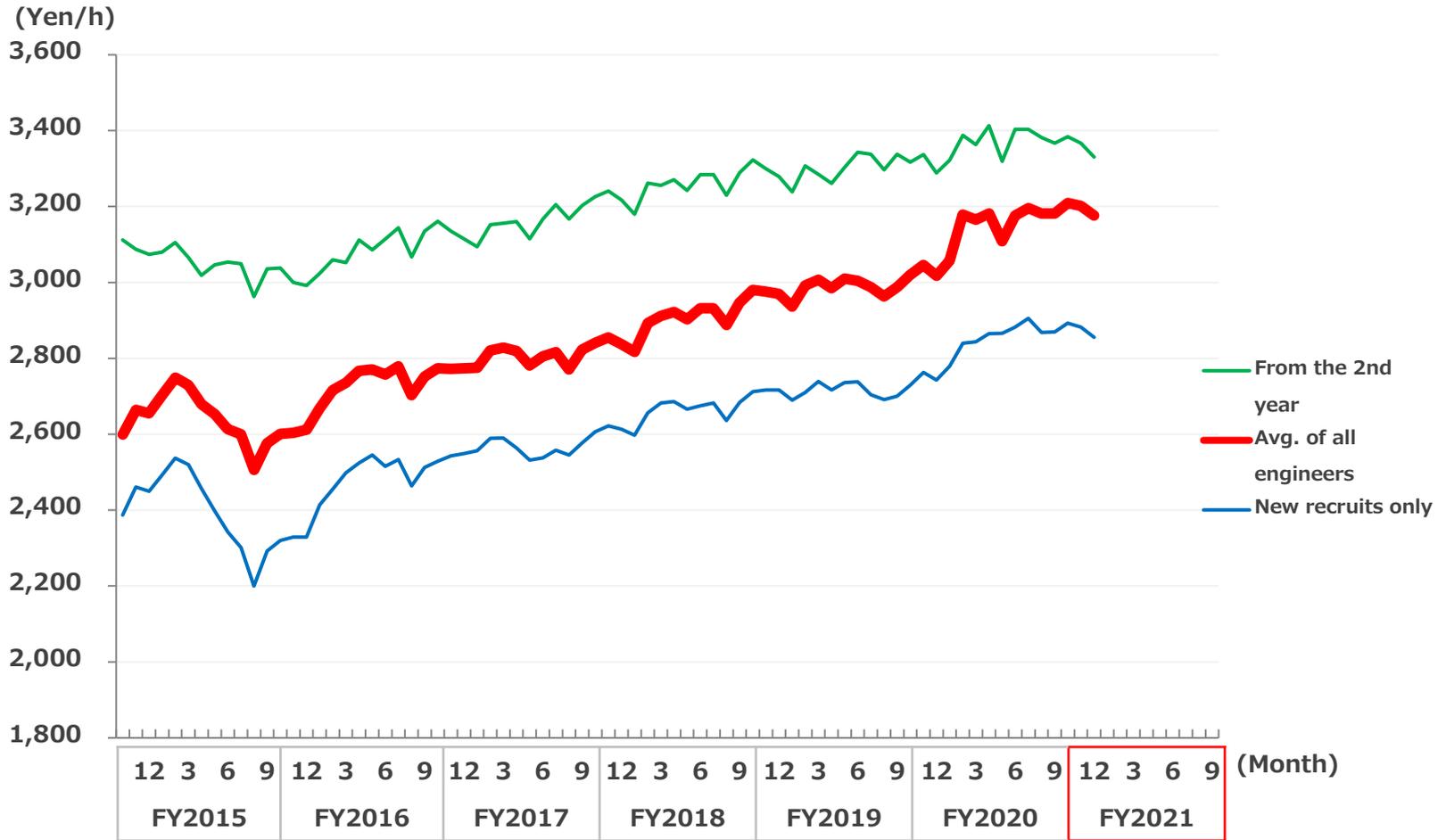
**From the 4<sup>th</sup> year**  
3-month avg. (Oct. – Dec.)

FY	Unit Price (Yen/h)	YoY Change
FY18/Q1	3,498	
FY19/Q1	3,581	+2.4%
FY20/Q1	3,620	+1.1%
FY21/Q1	3,642	+0.6%

# Unit Price of Temporary Staffing (3) Interim Changes



- Unit price of temporary staffing rose even under the influence of COVID-19 pandemic
- Increased for the five consecutive years from FY2017 supported by the strong demand



# KPI Summary



- KPI figures generally decreased from the previous fiscal year under the influence of COVID-19 pandemic
- Unit price of temporary staffing increased by over 5% due to the impact of equal pay for equal work

All engineers 3-month avg. (Oct. – Nov.)

	FY20/Q1	FY21/Q1	Change	Pct. Change
No. of engineers	6,105 engineers	5,475 engineers	▲630 engineers	▲10.3%
Utilization rate	93.4%	92.7%	▲0.7pt	—
Operating time	9.57h	9.41h	▲0.2h	▲1.7%
Unit price of temporary staffing	3,028 yen	3,196 yen	168 yen	+5.5%

## **Engineer Temporary Staffing and Incidental Business**

# KPI Summary



Engineer Temporary  
Staffing and Incidental  
Business

(Million yen)

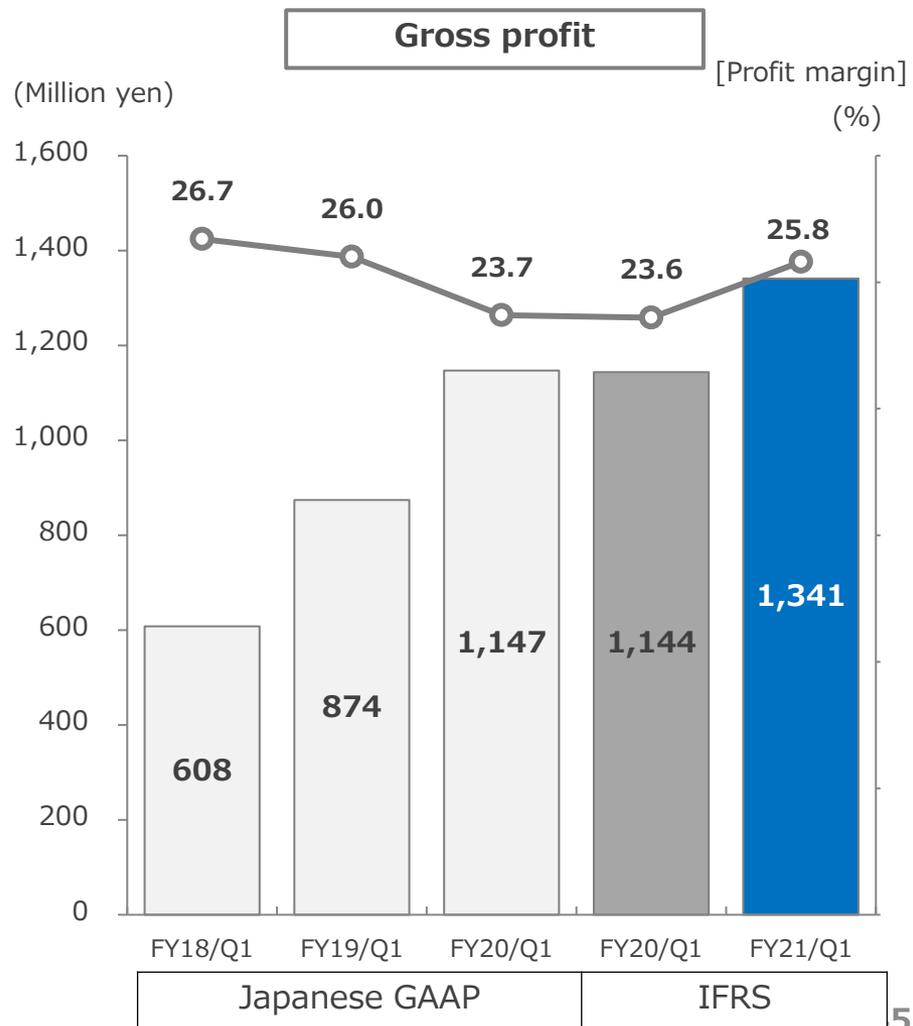
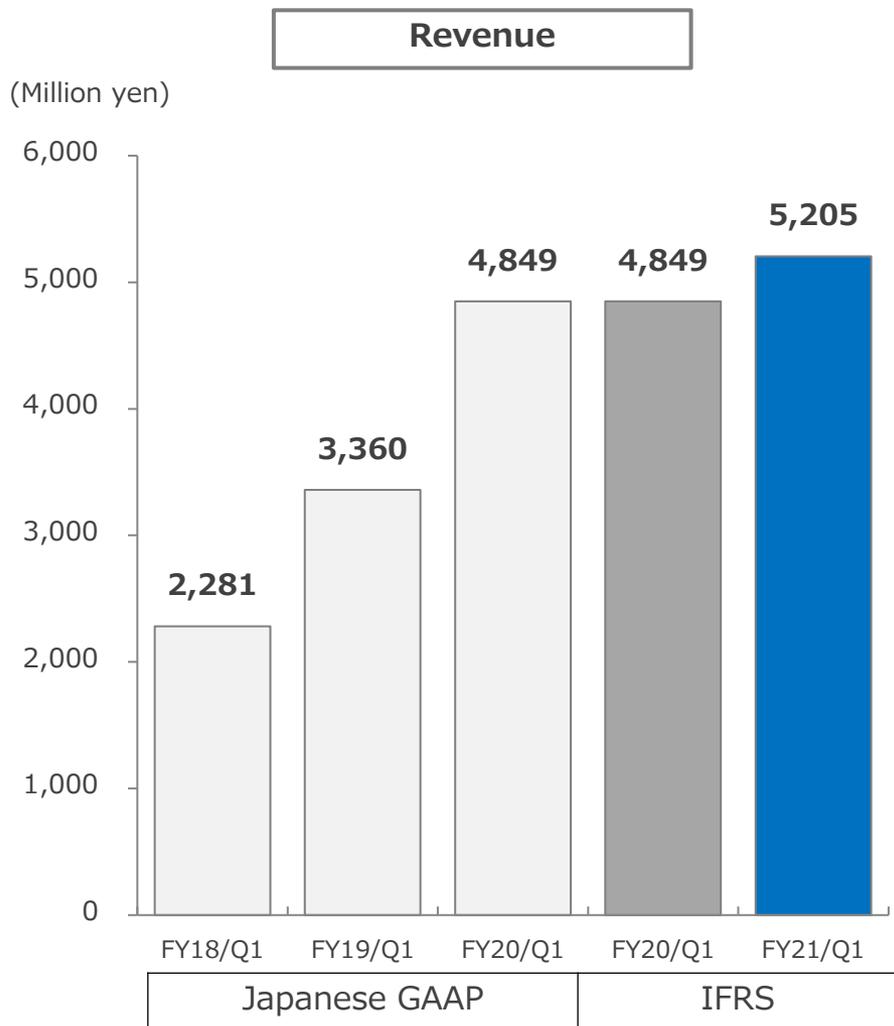
	FY20/Q1 (IFRS)	FY21/Q1 (IFRS)	Change	Pct. change
Revenue	4,849	5,205	+356	+7.3%
Gross profit	1,144	1,341	+196	+17.2%
SG&A expenses	1,067	922	▲144	▲13.6%
Segment profit	77	500	+423	+547.8%

\* We changed the consolidated accounting standards to International Financial Reporting Standards (IFRS) from the full-year results for the fiscal year ending September 2020. The figures for the fiscal year ended September 2020 are also in accordance with IFRS.

# Revenue/Gross Profit



- Revenue ⇒ Up 7% YoY due to increase in unit price
- Gross Profit ⇒ Up 17% YoY due to increase in unit price

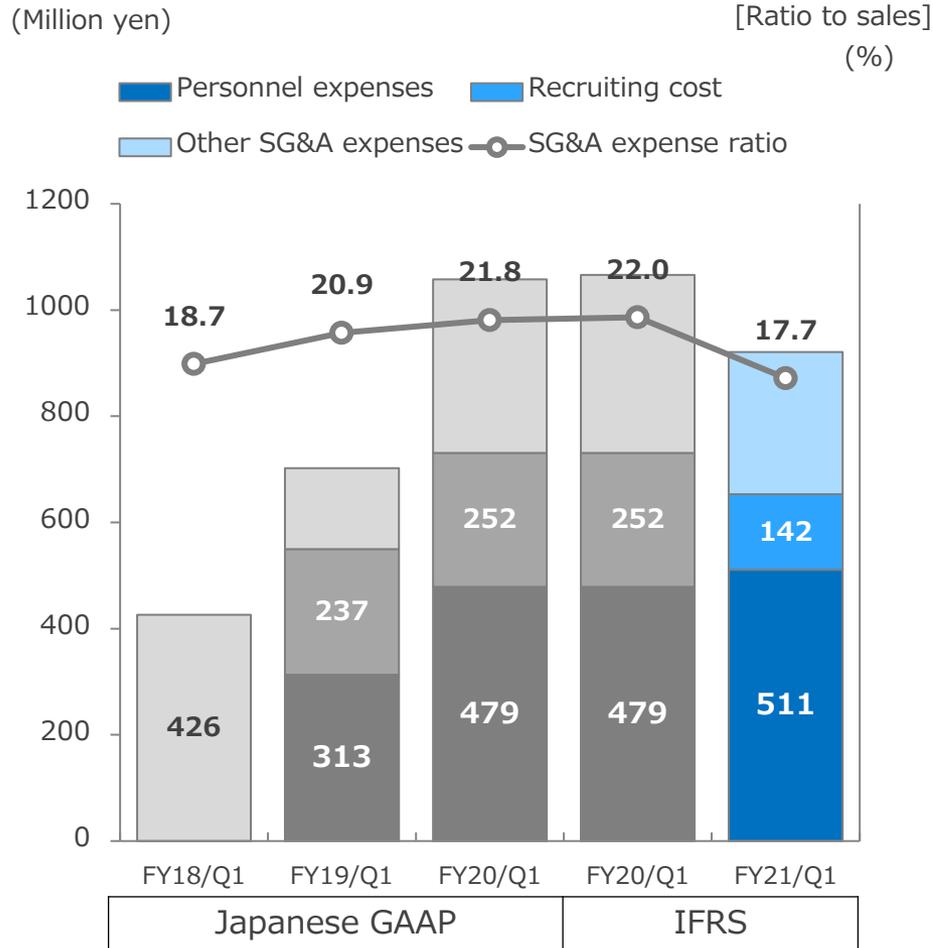


# SG&A Expenses and Segment Profit

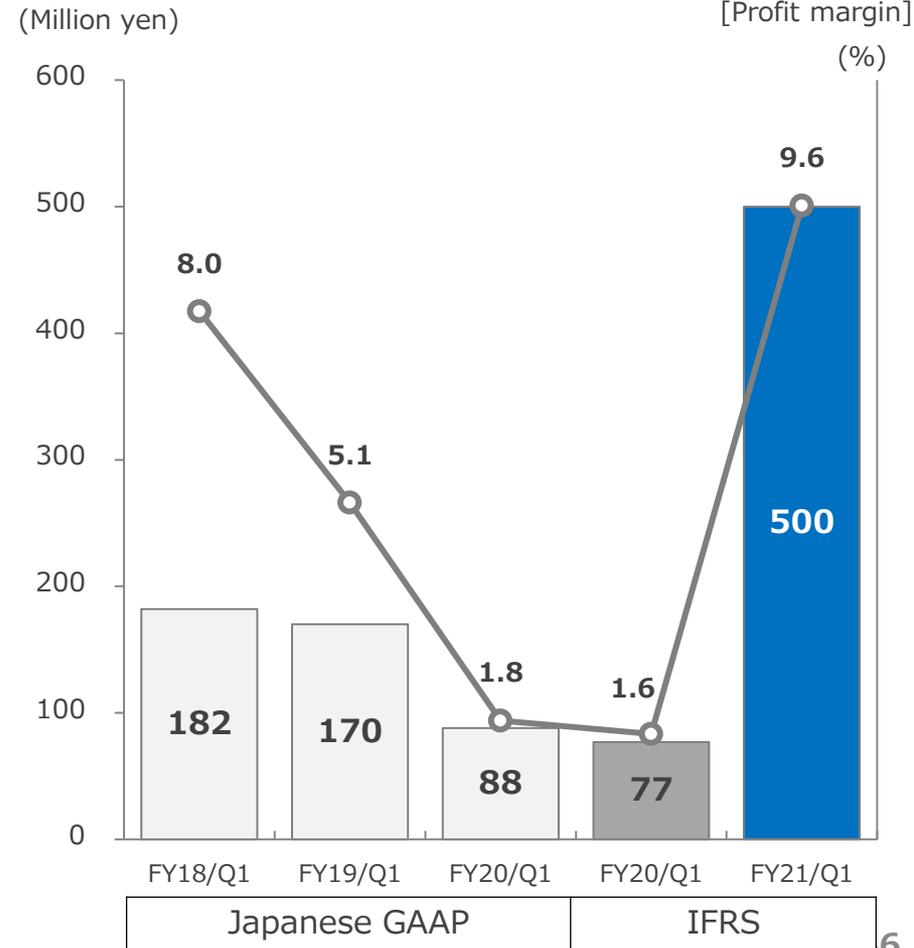


- SG&A expenses ⇒ ▲13% YoY due to decrease in recruitment costs.
- Segment profit ⇒ +547% YoY. Highest profit margin in recent years due to higher unit prices and SG&A control.

SG&A expenses



Segment profit



# Number of Engineers (1) Recruitment



- Resumption of recruitment activities → FY20 Q4 accounting period: 215 engineers
- Breakdown of recruitment: IT field: 215 engineers; Machinery and Electric field: 31 engineers
- More than 100 new graduates hired, and additional hires are under way

(Unit : Persons)

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Oct.-Mar. total
FY20 recruitment	386			371			757
FY21 recruitment	246						
YoY	▲ 140						

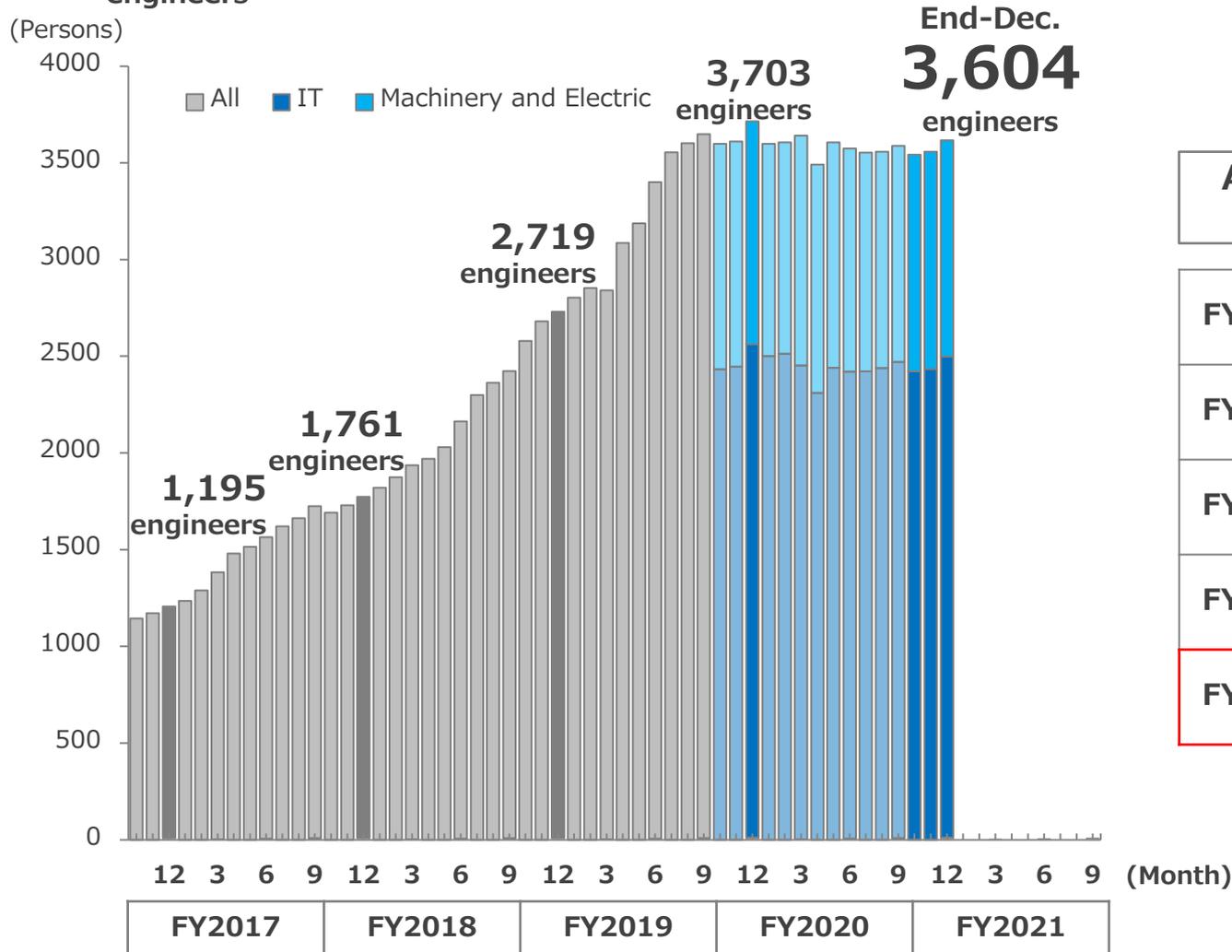
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Apr.-Sep. total	Oct.-Sep. total
FY20 recruitment	104			215			319	1,076
FY21 recruitment								
YoY								

# Number of Engineers (2)

## Changes in the Number of Engineers



- Decreased by 99 from the end of the same month of the previous year, Up by 25 from the end of the previous fiscal year
- Breakdown of enrolled human resources: IT field: 2,487 engineers, Machinery and Electric field: 1,117 engineers



**Avg. number of engineers**  
3-month avg. (Oct. – Dec.)

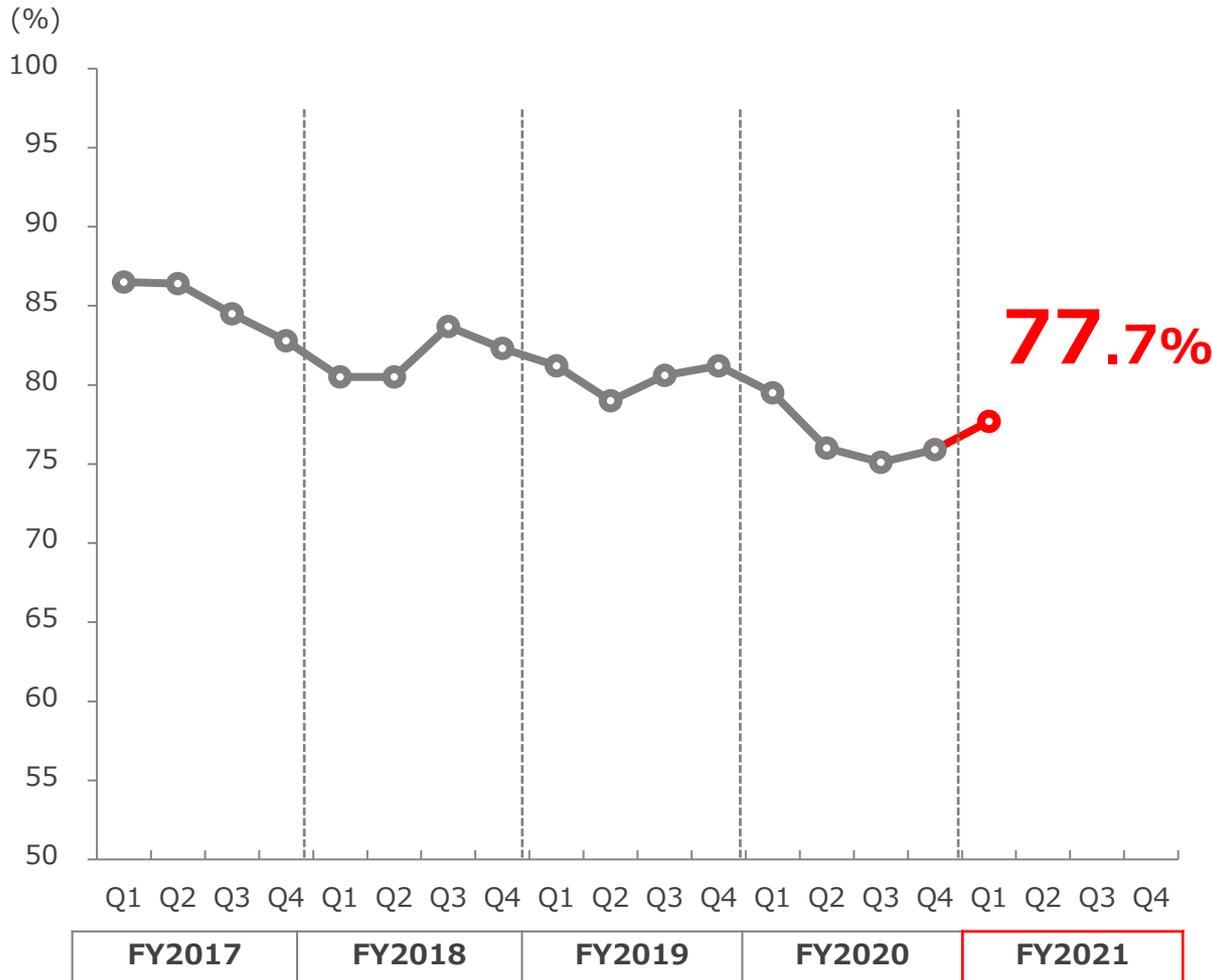
Fiscal Year	Number of Engineers	YoY Change
FY17/Q1	1,171人	YoY
FY18/Q1	1,727人	+47.6%
FY19/Q1	2,659人	+54.0%
FY20/Q1	3,637人	+36.8%
FY21/Q1	3,568人	▲ 1.9%

\* Number of engineers at the end of month

# Changes in Utilization rate



## ■ Gradual recovery trend



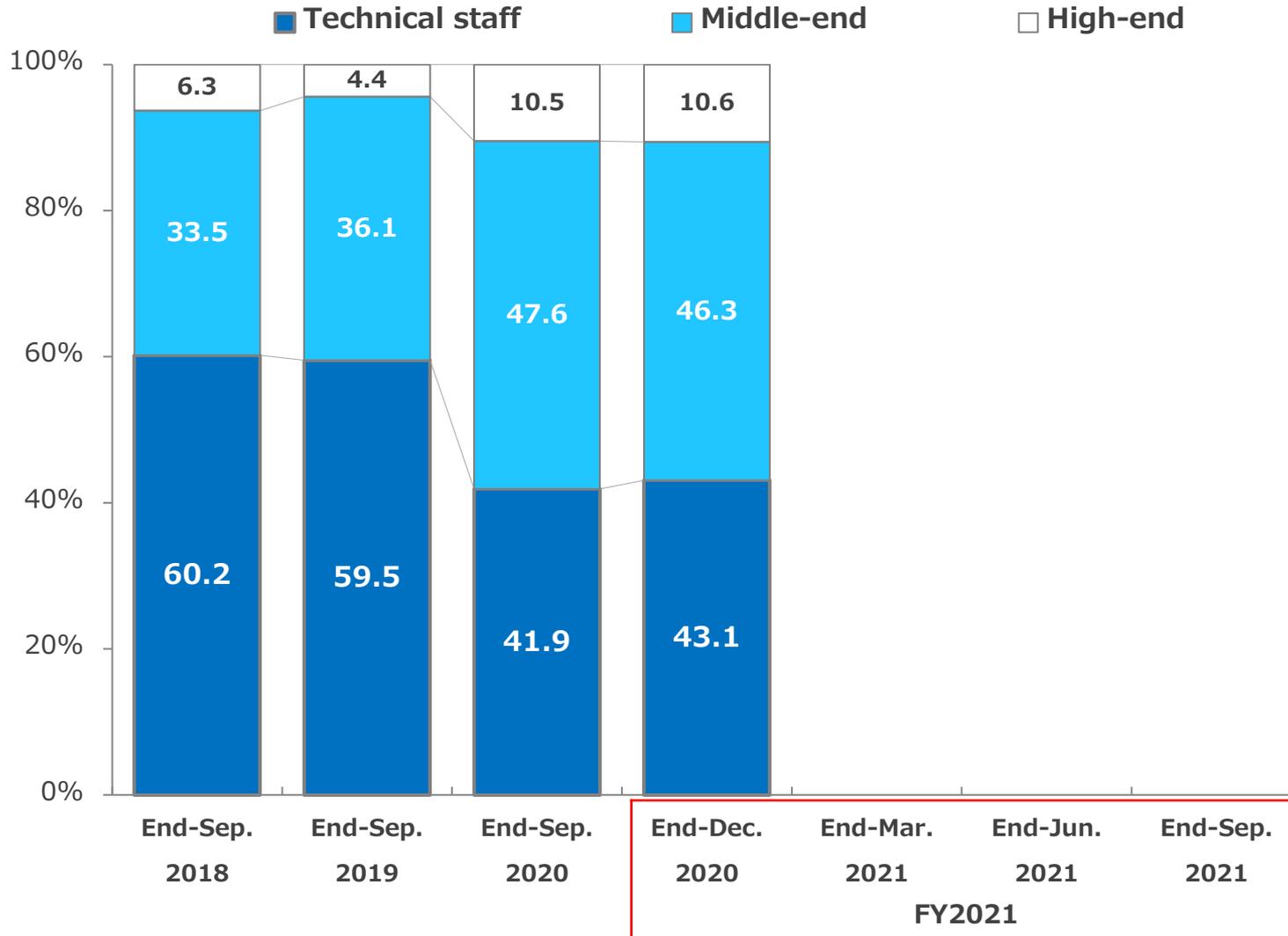
Avg. Utilization rate 3-month avg. (Oct. – Dec.)		
FY17/Q1	86.5%	YoY
FY18/Q1	80.5%	△6.0pt
FY19/Q1	81.2%	+0.7pt
FY20/Q1	79.5%	△1.7pt
FY21/Q1	77.7%	△1.8pt

\*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 (3) Ratio by Level of Engineers



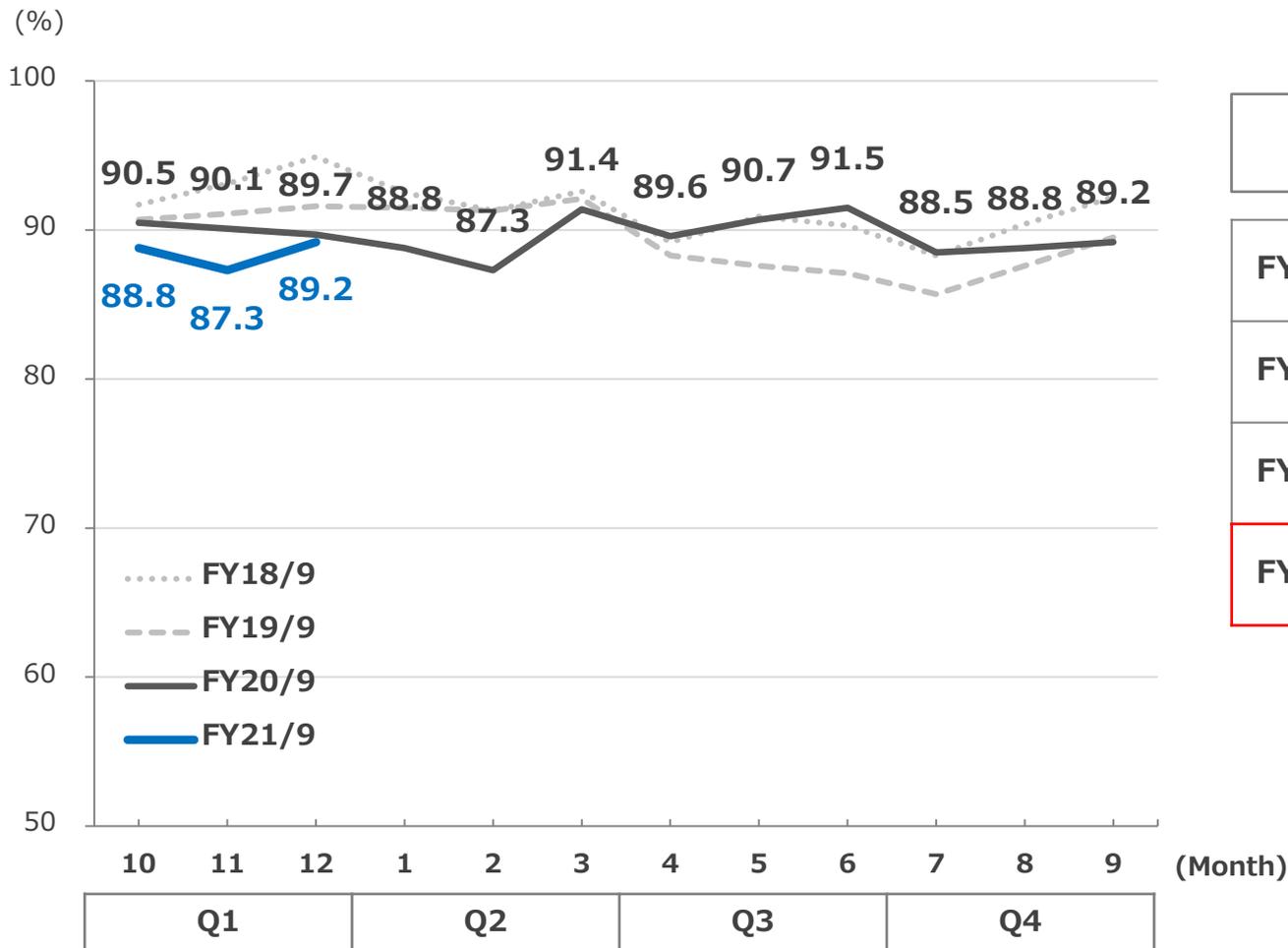
- Increased in the ratio of technical staff due to the resumption of recruitment activities



# Changes in Utilization rate



■ Slight decrease due to resumption of recruitment activities

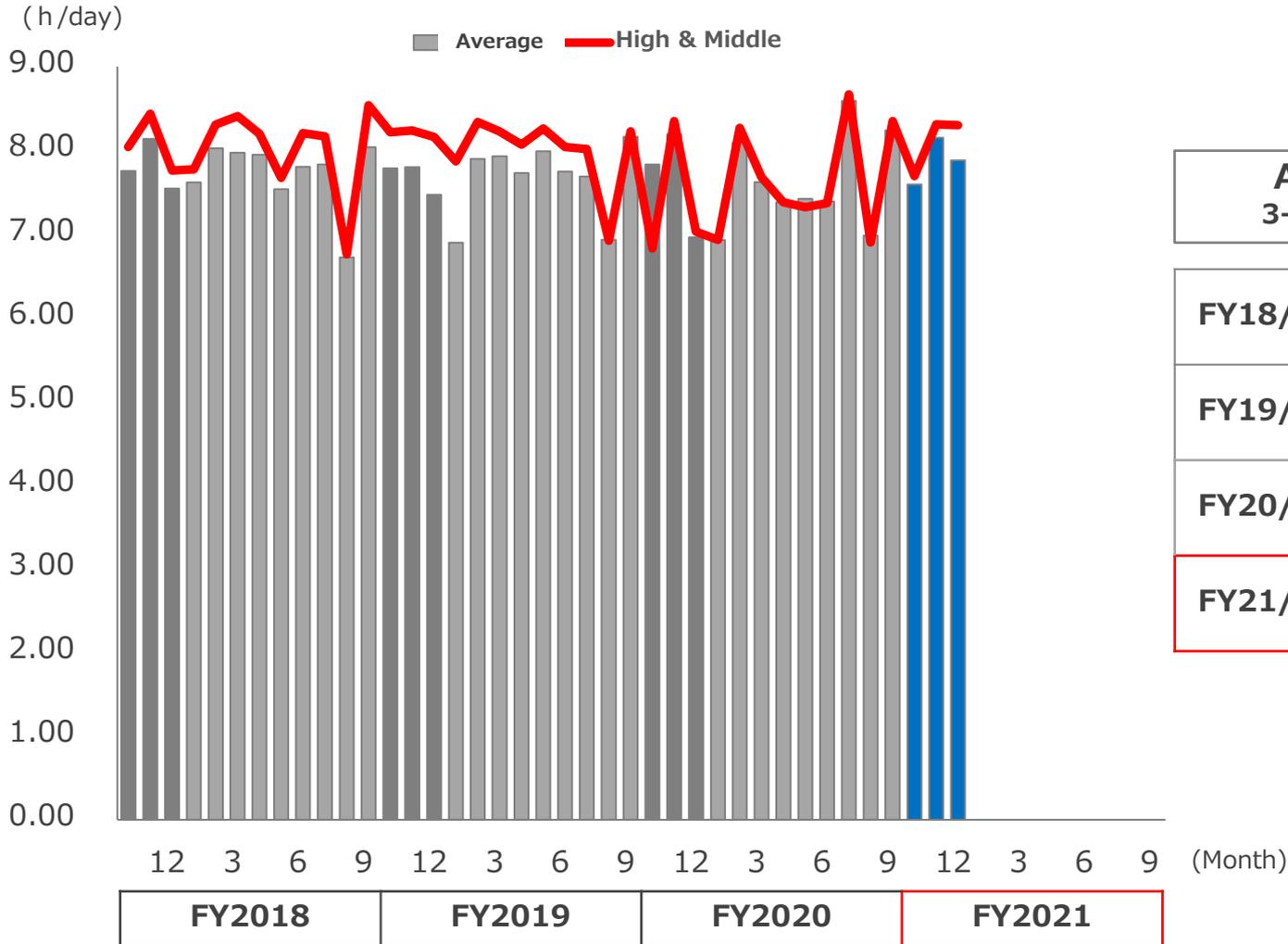


Avg. Utilization rate 3-month avg. (Oct. – Dec.)		
FY18/Q1	93.2%	YoY
FY19/Q1	91.1%	▲ 2.1pt.
FY20/Q1	90.1%	▲ 1.0pt.
FY21/Q1	88.4%	▲ 1.7pt.

# Changes in Operating Time



## ■ Downward trend in operating time recovered

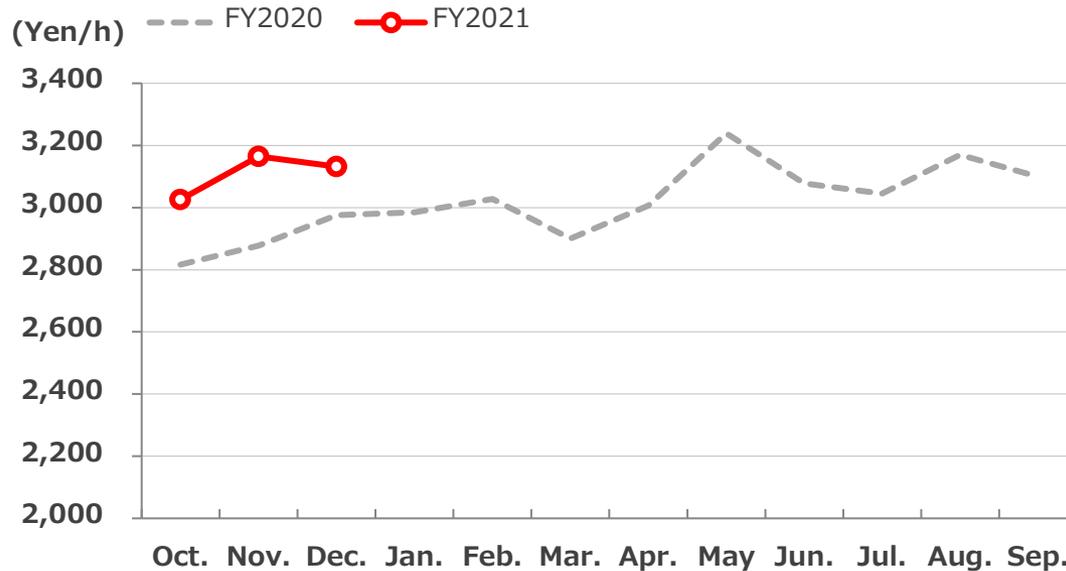


**Avg. operating time**  
3-month avg. (Oct. – Dec.)

FY18/Q1	7.81h	YoY
FY19/Q1	7.68h	▲ 1.6%
FY20/Q1	7.66h	▲ 0.3%
FY21/Q1	7.88h	+2.8%

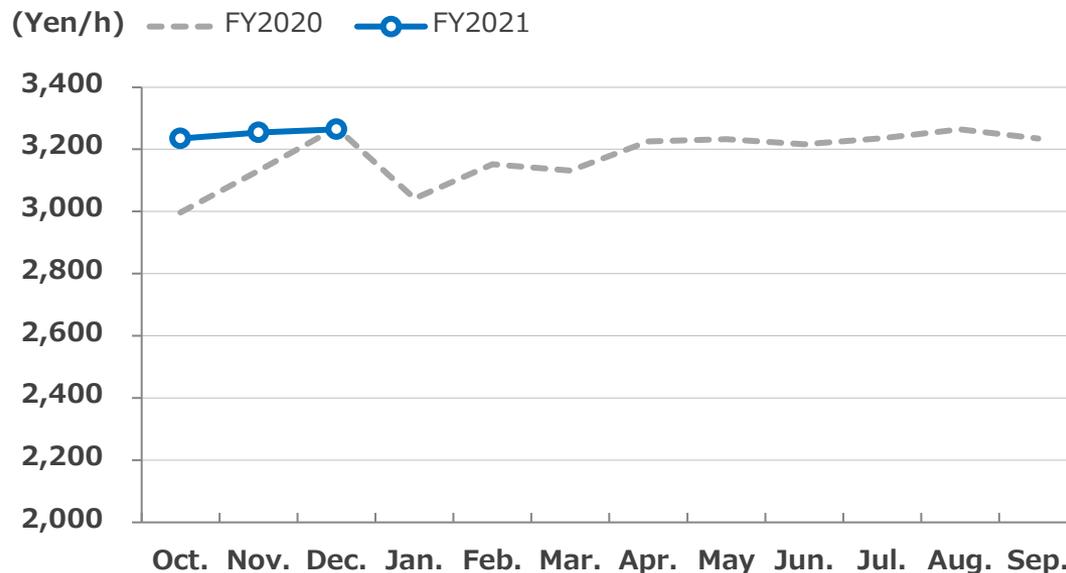
\* The aggregation range has been changed from FY2020.

# Unit Price of Temporary Staffing



## Avg. for IT Engineers 3-month avg. (Oct. – Dec.)

		YoY
FY20/Q1	2,890 yen	—
FY21/Q1	3,105 yen	+7.4%



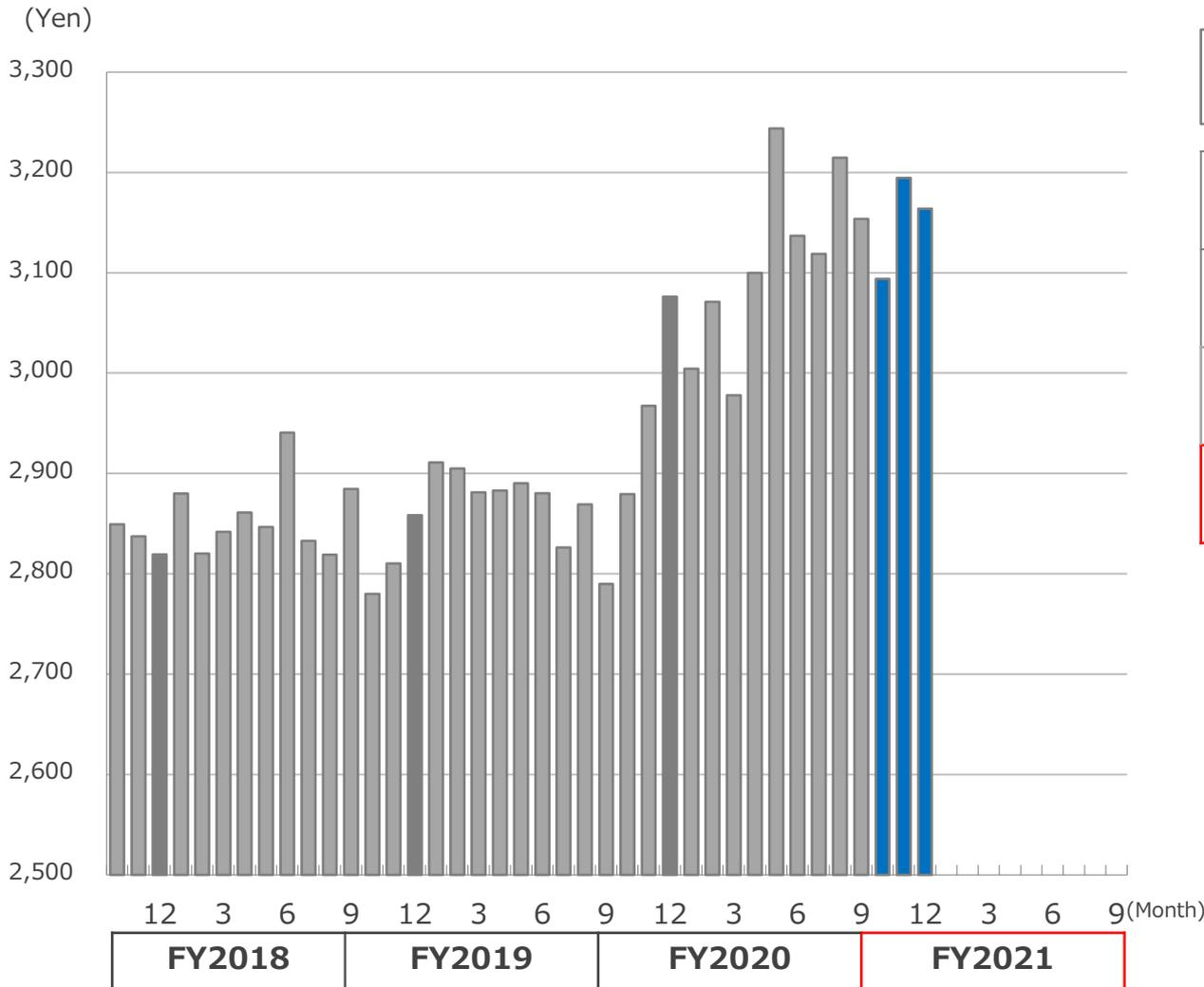
## Avg. for Machinery and Electric Engineers 3-month avg. (Oct. – Dec.)

		YoY
FY20/Q1	3,131 yen	—
FY21/Q1	3,251 yen	+3.8%

# Changes in Unit Price of Temporary Staffing



- Technical staff ratio increased due to resumption of hiring, but middle end increased due to promotion of training ⇒ average unit price increased about 6%



**Avg. operating time**  
3-month avg. (Oct. – Dec.)

FY18/Q1	2,835 yen	YoY
FY19/Q1	2,816 yen	▲0.7%
FY20/Q1	2,974 yen	+5.6%
FY21/Q1	3,149 yen	+5.9%

License holder	FY21/Q1 Results
<b>Salesforce engineer</b>	<b>89</b> engineers
<b>AWS engineer</b>	<b>103</b> engineers

\*The aggregation methods have been changed from FY2020.

# KPI Summary



- Maintained from the previous quarter level due to a no net increase in the number of enrolled engineers
- Unit price of temporary staffing continued to increase through progress in training of technical staff

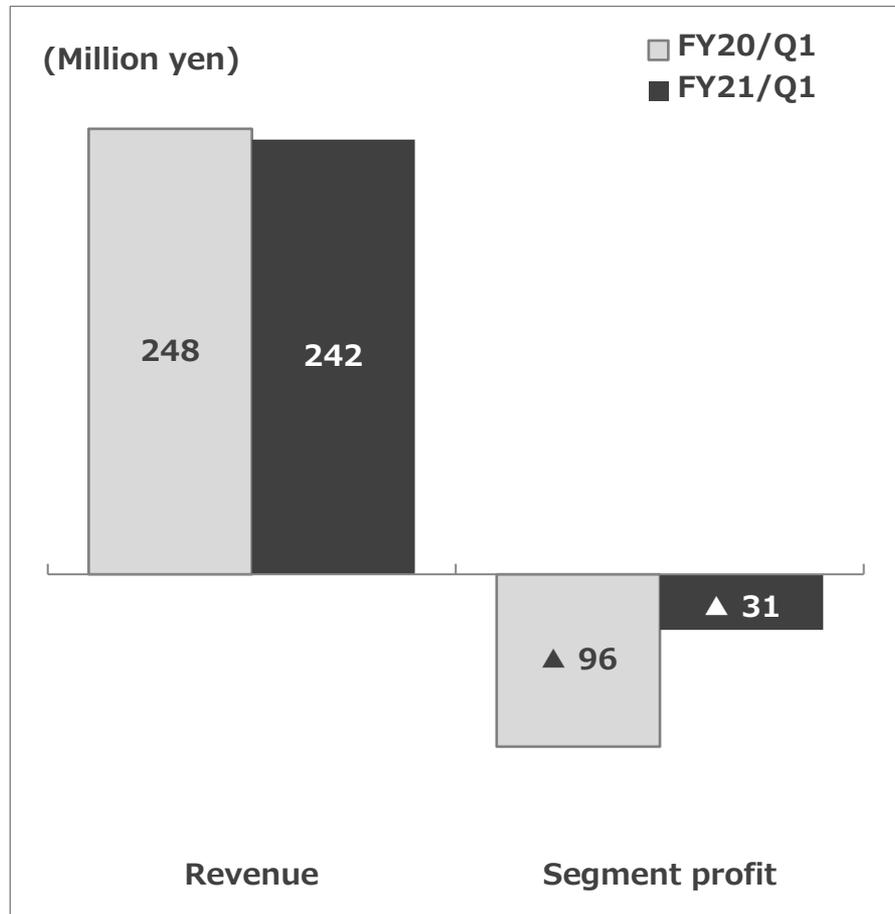
All engineers 3-month avg. (Oct. – Dec.)

	FY20/Q1	FY21/Q1	Change	Pct. change
No. of engineers	3,637 engineers	3,568 engineers	▲69 engineers	▲1.9%
Utilization rate	90.1%	88.4%	▲1.7pt	—
Operating time	7.66h	7.88h	+0.22h	+2.8%
Unit price of temporary staffing	2,974 yen	3,149 yen	+175 yen	+5.9%

**Other Business**

# Segment P/L Summary

Others



- Withdrawal from temporary staffing business
- Education-related business is performing well
- Other segment is expected to be profitable for the full year

\*In addition, there are eliminations due to inter-segment transactions.

\*We changed the consolidated accounting standards to International Financial Reporting Standards (IFRS) from the full-year results for the fiscal year ending September 2020. The figures for the fiscal year ended September 2020 are also in accordance with IFRS.

# Meeting people makes Everybody's dream come true



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