

Financial and Business Results for the Third Quarter of the Fiscal Year Ended June 2007

Date: August 20, 2007

C o m p a n y	Yumeshin Holdings Co., Ltd.	Registered on the Hercules
S t o c k C o d e	2362	
U R L	http://www.yumeshin.co.jp	
R e p r e s e n t a t i v e	Shingo Sato	
C o n t a c t	Title Executive Officer, General Manager of Accounting Department	
	Name Yoshiyuki Aoki	T E L 03-5981-0670

(Rounded down to million yen)

1. Results of operations for the third quarter of the fiscal year ended June 2007 (From October 1, 2006 to June 30, 2007)

(1) Consolidated results of operations

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2007 3 rd Quarter	34,348	-0.5	711	-40.0	657	-58.2	-305	
FY2006 3 rd Quarter	34,529	673.5	1,186	332.8	1,572	250.1	515	74.6
September 2006	41,554		837		1,286		69	

	Net income per Share (basic)	Net income per Share (diluted)
	Yen	Yen
FY2007 3 rd Quarter	-4.26	
FY2006 3 rd Quarter	7.16	6.50
September 2006	0.97	0.87

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2007 3 rd Quarter	16,998	1,625	7.2	17.12
FY2006 3 rd Quarter	36,906	3,374	5.9	30.08
September 2006	47,943	3,400	3.3	21.73

(3) Consolidated results of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financial activities	Balance of cash and cash equivalents at the end of year
	Million yen	Million yen	Million yen	Million yen
FY2007 3 rd Quarter	-1,978	2,059	-9,424	1,893
FY2006 3 rd Quarter				
September 2006	-3,893	-4,552	11,336	11,236

2. Dividends

	Dividend per share
	3 rd Quarter
(Record date)	
	Yen
FY2006 3 rd Quarter	
FY2007 3 rd Quarter	

3 . Consolidated forecasts for the fiscal year ending September 2007 (From October 1, 2006 to September 30, 2007)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	42,500	2.3	1,600	91.1	1,500	16.6	700	903.8	9.76

4. Others

(1) Changes in important subsidiary during the period (changes in specified subsidiary due to changes in the scope of consolidation): Yes

New subsidiary: 1; Company name: Yumeshin Real Estate Sales Co., Ltd.

Excluded: 8; Company name: Yumeshin Sogo Setsubi Co., Ltd.; Katsumura Construction Co., Ltd.; Yumeshin Corporation; Yumeshin Securities Co., Ltd.; Yumeshin Real Estate Sales Co., Ltd.; Yumeshin Techno Staff Service Co., Ltd.; 2 Investment Partnerships

(2) Basis of preparation of quarterly financial statements: The standards for preparation of interim financial statements

(3) Changes in accounting method compared to the recent fiscal year: None

(4) Participation of an auditor: None

5. Summary of non-consolidated financial results

(1) Non-consolidated results of operations

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2007 3 rd Quarter	1,119	12.6	468	41.3	415	-5.0	-104	
FY2006 3 rd Quarter	994	-64.0	331	11.8	437	-5.6	160	-37.7
September 2006	1,092		204		237		56	

	Net income per Share (basic)
	Yen
FY2007 3 rd Quarter	-1.46
FY2006 3 rd Quarter	2.23
September 2006	0.78

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2007 3 rd Quarter	10,738	1,406	13.1	19.61
FY2006 3 rd Quarter	19,373	1,763	9.1	24.49
September 2006	20,910	1,547	7.4	21.58

6. Non-consolidated forecasts for the fiscal year ending September 2007 (From October 1, 2006 to September 30, 2007)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,220	11.7	500	144.6	380	60.3	30	-46.6	0.42

*** Explanation regarding appropriate use of business forecasts and other special instructions**

Forecasts regarding future performance in these materials are based on information and assumptions at the time this report was prepared. Therefore, actual results may differ significantly from the forecasts by a variety of factors.

[Results of Operations and Financial Condition]

1. Consolidated results of operations

In the third quarter of the fiscal year, Japan's economy continued a mild upswing due to increase in capital investment, improvement in employment situation and other factors backed by strong corporate earnings.

Under such economic circumstances, Yumeshin Holdings reduced interest-bearing debt by selling off its non-staffing business acquired over the past two years realizing a cash-rich company, drew up "Human Resource Business Only One", a medium-term business plan and disclosed it on May 31, 2007.

As a result, the third quarter consolidated net sales were 34,348 million yen, operating income was 711 million yen, ordinary income was 657 million yen and net loss was 305 million yen.

A summary of net sales by business segment for the third quarter is presented below.

(Temporary staffing)

Regarding Yumeshin Co., Ltd. engaged in the construction management and Yumeshin Engineering Co., Ltd. engaged in the operation and management of environmental plants, net sales increased for both companies due to strong performances. In addition, net sales of Yumeshin Communications Co., Ltd. decreased for specializing in the temporary staffing business.

Consequently, consolidated net sales for the current quarter decreased 2.8% year-on-year to 7,250 million yen.

(Real estate and construction)

Net sales of Yumeshin Sogo Setsubi Co., Ltd. mainly engaged in equipment work were included in the previous third quarter but due to its sale in March 2007, net sales decreased in the current quarter. In addition, Yumeshin Holdings sold Katsumura Construction Co., Ltd., a general contractor in April 2007, but the net sales weren't included in the previous third quarter. As a result, net sales increased in the current quarter.

Consequently, consolidated net sales for the current quarter decreased 0.5% year-on-year to 26,825 million yen.

(Other businesses)

Net sales of House Inspection Co., Ltd. mainly engaged in house inspection increased in the current quarter due to an increase in the number of houses inspected. In addition, net sales of Yumeshin Securities Co., Ltd., a financing subsidiary although sold in June 2007 increased due to an increase of commission income up to the first half of the current fiscal year.

Consequently, consolidated net sales for the current quarter increased 133.8% year-on-year to 272 million yen.

2. Financial condition

Assets, liabilities and net assets

Total assets amounted to 16,998 million yen for the current quarter, 30,945 million yen less than at the end of the previous consolidated fiscal year, due mainly to sale of securities and decrease in the number of consolidated subsidiaries.

In addition, liabilities totaled 15,372 million yen, 29,170 million yen less than at the end of the previous consolidated fiscal year, due mainly to repayments of borrowings and bonds and decrease in the number of

consolidated subsidiaries.

Net assets totaled 1,625 million yen, 1,774 million yen less than at the end of the previous consolidated fiscal year, due mainly to net loss of 305 million yen and decrease in the number of consolidated subsidiaries.

Cash flows

There was a net decrease of 9,343 million yen in cash and cash equivalents in the current quarter to 1,893 million yen.

(Operating activities)

Net cash used in operating activities in the current quarter was 1,978 million yen. The major components were increase in inventory assets, trade payables and amount received for construction in progress.

(Investing activities)

Net cash provided by investing activities in the current quarter was 2,059 million yen. The major components were sale of tangible fixed assets.

(Financing activities)

Net cash used in financing activities in the current quarter was 9,424 million yen. The major components were repayments or redemption of short-term borrowing, long-term borrowing, and bonds.

3. Outlook for the fiscal year ending September 2007

There are no revisions to the full year forecasts that were announced on June 4, 2007.

4. Others

Changes in significant subsidiaries during the period (changes in subsidiaries associated with change in scope of consolidation)

- New subsidiary: 1 Yumeshin Real Estate Sales Co., Ltd.

Newly acquired Yumeshin Real Estate Sales merged with Alcion Co., Ltd. making it a surviving company and changed corporate name to Yumeshin Real Estate Sales Co., Ltd.

- Excluded: 8 Yumeshin Sogo Setsubi Co., Ltd.; Katsumura Construction Co., Ltd.; Yumeshin Corporation; Yumeshin Securities Co., Ltd.; Yumeshin Real Estate Sales Co., Ltd.; Yumeshin Techno Staff Service Co., Ltd.; YCT No.1 Investment Partnership; YCT No.3 Investment Partnership

Yumeshin Sogo Setsubi, Katsumura Construction, Yumeshin Securities, Yumeshin Real Estate Sales, YCT No.1 Investment Partnership and YCT No.3 Investment Partnership have been excluded from the scope of consolidation since they sold their shares in the third quarter of the consolidated fiscal year.

Yumeshin Corporation was dissolved due to merging with Katsumura Construction on March 31, 2007.

Moreover, Yumeshin Techno Staff Service was dissolved due to merging with Yumeshin communications Co., Ltd. on May 2, 2007.