Yumeshin Subsidiary (Yume Technology Co., Ltd.) Made Revision to its Business Forecasts and Upward Revision to New Medium-term Management Plan

As of May 2, 2017, Yume Technology Co., Ltd. (stock code: 2458, JASDAQ), a subsidiary of Yumeshin Holdings Co., Ltd., announces that the Company revised its full-year business forecasts for the fiscal year ending September 2017 and its new medium-term management plan. Details are as follows.

News Release：Yume Technology Co., Ltd.　　　　(2458 JASDAQ)

Notice Concerning Revision to Business Forecasts and Upward Revision to Medium-term Management Plan

In view of recent trends in operating results, Yume Technology Co., Ltd., revised its full-year business forecasts for the fiscal year ending September 2017 and its new medium-term management plan (from the fiscal year ending Sep. 2016 to the fiscal year ending Sep. 2018) which was announced on November 2, 2016. Details are as follows.

1. Revision to business forecasts for the fiscal year ending September 2017
   (October 1, 2016 – September 30, 2017)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous results (A)	7,200	600	600	370	30.07
Revised forecasts (B)	7,400	180	180	120	9.28
Increase/decrease (B-A)	200	-420	-420	-250	-
Percentage change (%)	2.8%	-70.0%	-70.0%	-67.5%	-
(Reference) Previous results (FY9/16)	5,805	433	469	405	34.61

(Note) The Company conducted a 2-for-1 stock split effective on April 25, 2017. Therefore, net income per share is calculated assuming that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reason for revision)
　As announced in the press release titled "Notice Concerning Revisions to the Recruitment Plan" announced on January 24, 2017, Yume Technology has been focusing on its hiring activities and has raised its recruitment targets to nearly double the level of the initial plan to enable it to actively develop human resources in IT industry so as to respond to the increasingly serious shortage of human resources in this field. As a result, in the current fiscal year, 496 employees have been hired in the seven months from October to April, and the target of hiring 1,000 new staff is now well within sight. Consequently, the number of enrolled engineers is steadily increasing, and as a result, sales are also growing. On the other hand, however, recruitment costs and training expenses for developing IT human resources are also, due to this increase in the number of new hires, increasing more rapidly than anticipated at the beginning of the year.

　The Company believes that it is critically important to increase the number of engineers in order to further develop and expand the scale of the company, and so the Company will continue to engage in active recruitment activities after the third quarter. In addition, in order to be able to provide high-value-added human resources, the Company is also focusing on the post-recruitment development of its human resources, and plans to establish environments to promote such human resource development through the enhancement of training content and other initiatives.

　Given these factors, Yume Technology has decided to revise its business forecasts as described above.

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2. Revision to new medium-term management plan
(Fiscal year ending Sep. 2017 - Fiscal year ending Sep. 2019)

【Revised forecast】 (Million yen)

	FY9/17 (plan)	FY9/18 (plan)	FY9/19 (plan)
Net sales	7,400	13,000	17,800
Operating income	180	800	1,600
Net income	120	530	1,050
No. of recruits for the year	1,000 engineers	1,750 engineers	2,000 engineers
No. of engineers at the end of the period	1,900 engineers	3,000 engineers	4,200 engineers

【(Reference) previous forecast】(announced on November 2, 2016)

	FY9/17 (plan)	FY9/18 (plan)	FY9/19 (plan)
Net sales	7,200	9,200	11,590
Net income	370	430	560
No. of recruits for the year	675 engineers	900 engineers	1,200 engineers
No. of engineers at the end of the period	1,530 engineers	1,980 engineers	2,580 engineers

1. Expansion of IT industry and recruiting strategy
In recent years, IT industry is highly advanced. IT products, systems and services are developed more than ever before, and various tools are provided. Cutting-edge information technologies are rapidly spreading including Fintech such as Bitcoin, crowdfunding and block-chain; augmented reality (AR), virtual reality (VR), Internet of Things (IoT), etc. The complexity of required technology is increasing.

However, the shortage of engineers with sufficient IT technology is serious. It is expected that the IT industry will grow further and demand for its human resources will increase. According to the data presented by the Ministry of Economy, Trade and Industry, the shortage number of human resources in the Japan's IT industry is expected to be 370 thousand and 790 thousand in 2030.

Estimated shortage number of human resources in Japan's IT industry
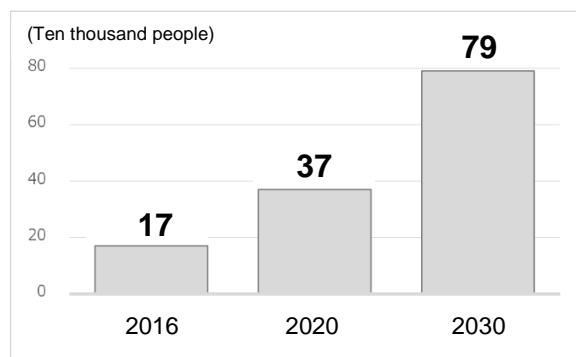
*According to a survey by the Ministry of Economy, Trade and Industry (June 2016)

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The Company has been proactively dispatching IT engineers such as programmers and system engineers in anticipation of growth in IT-related areas. Currently, about 34% of the Company's engineers are dispatched to the IT field, and this ratio is increasing every year. The pace of the growth in the IT-related market is extremely rapid, and Yume Technology is fully aware that this is an indispensable area for the future growth of the Group. For this reason, and so as to be able respond to further expansion in demand for IT human resources, the Company plans to place an even greater degree of emphasis on securing human resources in the future.

Given these circumstances, Yume Technology plans to recruit 1,750 new hires in the fiscal year ending September 2018, 2,000 in the fiscal year ending September 2019, for a total of 4,200 enrolled engineers as of end-September 2019, and so expects a fourfold increase by comparison with the end of the fiscal year ended September 2016.

2. Enhancement of training system

As for the human resource development, the Company has outsourced its IT training for engineers to an affiliated company in order to enhance its training program, and thereby establish an environment for nurturing IT human resources. Since Yume Technology is planning to increase the number of engineers to be trained through aggressive hiring, the Company will review the internal training system and conduct practical IT training including Java program and CCNA.

The current fiscal year will be the period for upfront investment to promote this new policy. The Company will promptly conduct the training for young IT human resources to make the temporary staffing of IT human resources as the future growth driver. Compared to the fiscal year ended September 2016, the Company plans to dramatically grow its sales by three times to 17.8 billion yen and operating income by four times to 1.6 billion yen by the end of the fiscal year ending September 2019.