



YUMESHIN HOLDINGS CO.,LTD.

Financial Results for **The Six** **Months Ended** March 31, 2013

September.2013
Securities code

2362

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Medium-term Management Plan

Shareholder Return

TOPIC

1 . 50% growth in ordinary income

2 . Hire 1,200 persons

3 . Announced a dividend increase for the second time this fiscal year

Consolidated Financial Overview

Consolidated Financial Overview

Consolidated P/L Statement

Consolidated P/L Statement

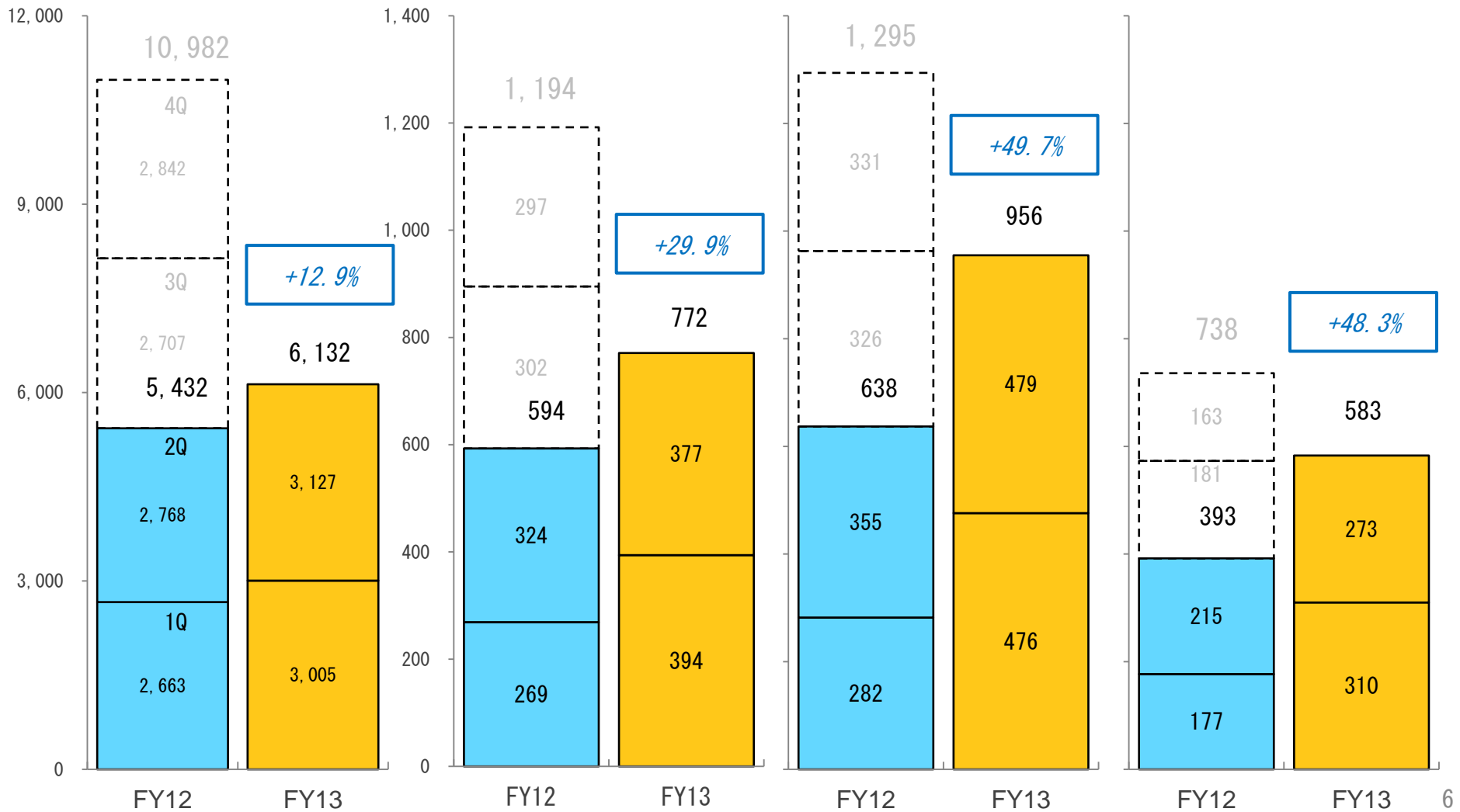
Net sales

Operating income

Ordinary income

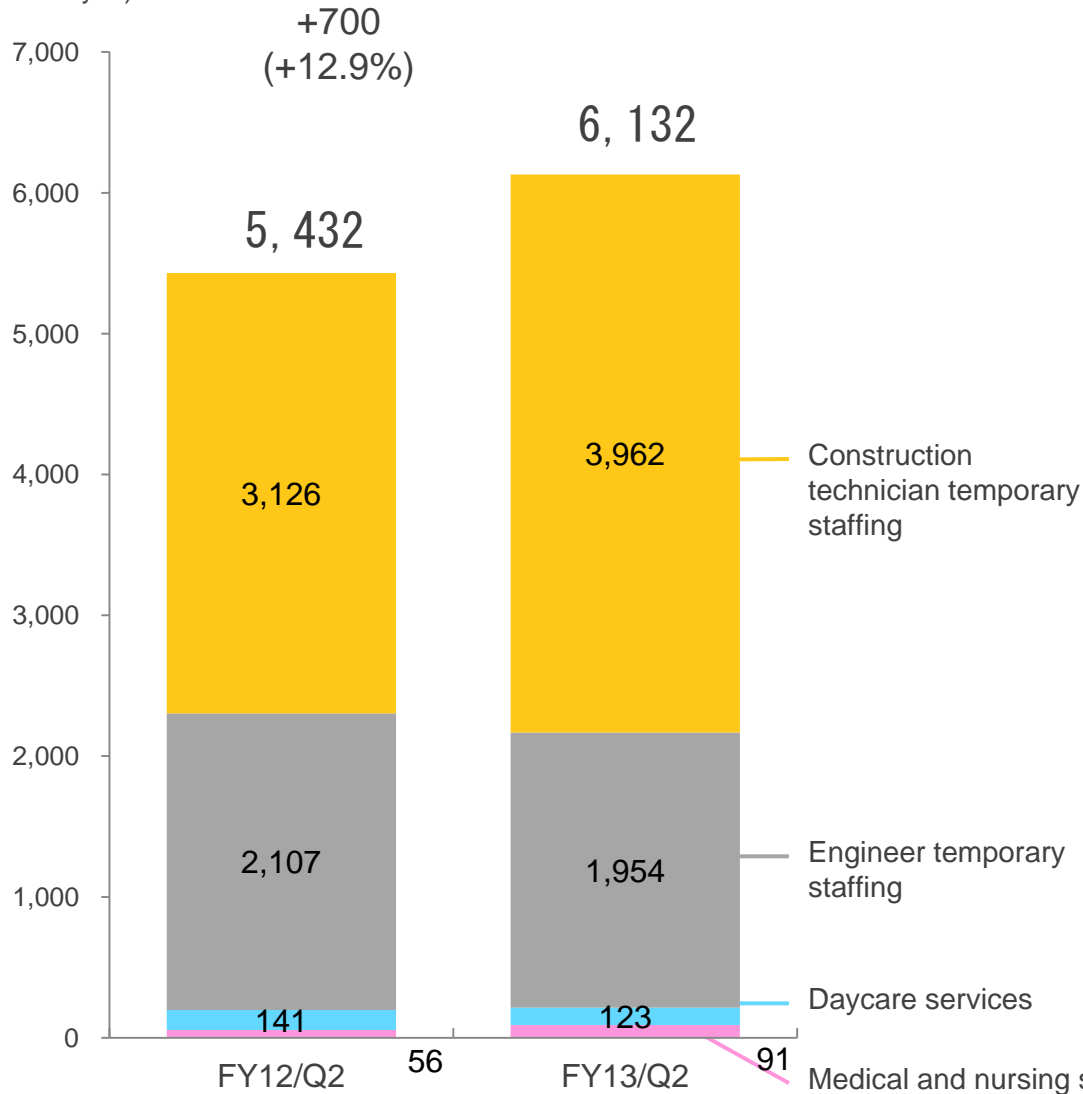
Net income

(million yen)



Consolidated P/L (1) Net sales

(million yen)



【 Major factors for increase/decrease 】

Construction technician temporary staffing +836million yen

- Increase in engineers +247persons

Engineer temporary staffing ▲152million yen

- Decrease in engineers

Daycare services ▲17million yen

- Fall in revenues from nursery staff dispatching

Medical and nursing support +34million yen

- Increase in users of daycare service facilities

Consolidated P/L (2) SG&A Expenses

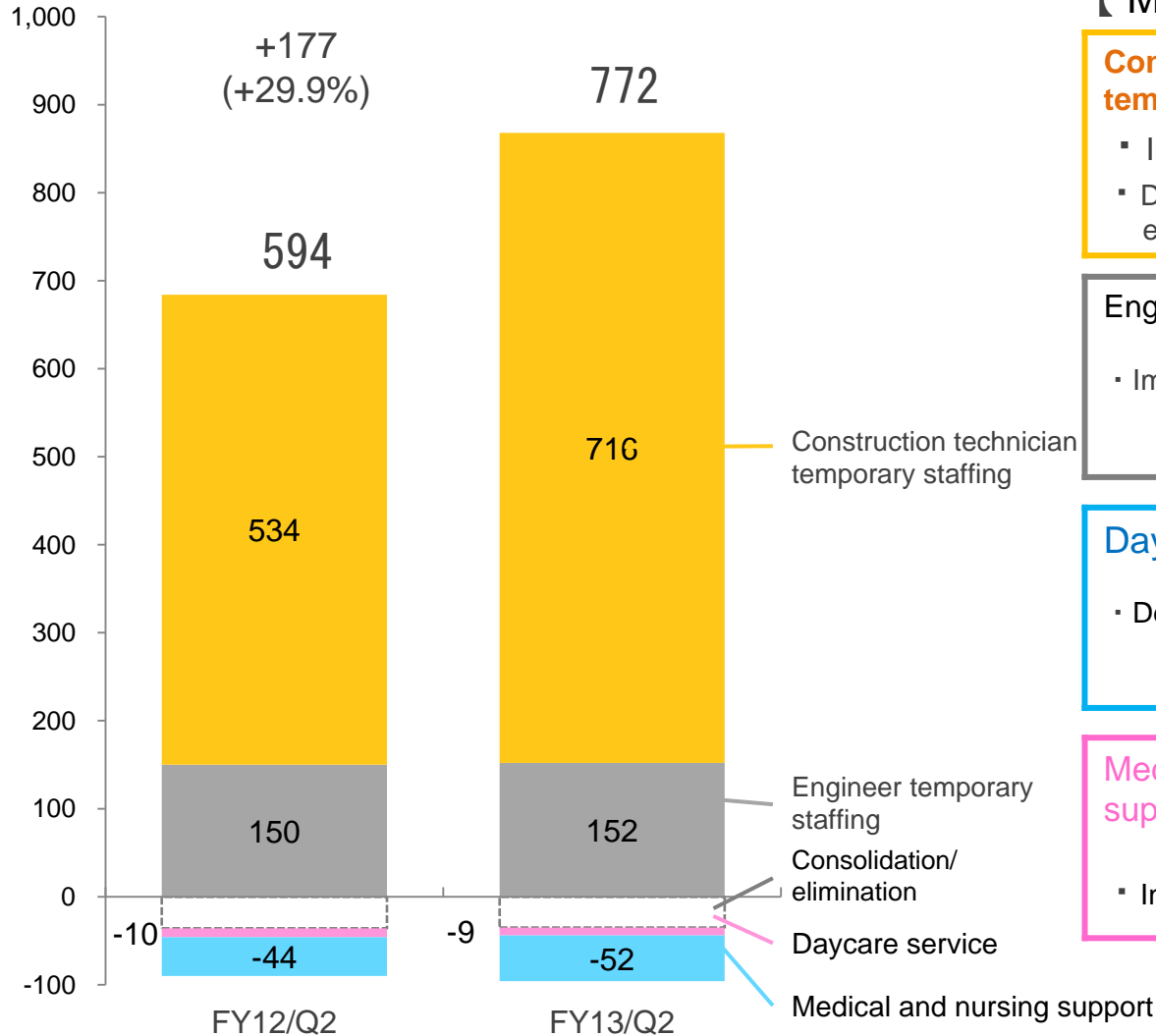
(million yen)

	FY12/Q2	FY13/Q2	Change	Remarks
Cost of Sales	3,870	4,288	417	Increase due to increased engineers
Gross profit	1,561	1,844	283	
Gross profit margin	28.7%	30.1%	1.4pt.	Increase due to rise in avg. unit price
SG&A expenses	966	1,072	105	
<i>officer's compensation</i>	57	53	▲3	
<i>personnel expenses</i>	502	564	61	Increase due to increased staff
<i>advertising expenses</i>	11	14	2	
<i>recruiting expense</i>	43	81	38	Increase due to hiring 1,200 staff
business consignment expenses	113	109	▲4	
provision of allowance for doubtful accounts	21	12	▲8	
<i>Amortization of goodwill</i>	47	41	▲5	
SG&A expenses margin	17.8%	17.5%	▲0.3pt.	

※ Personnel expenses=Salary & benefit+ bonus+ welfare expense+ retirement benefit expenses (executives excluded)

Consolidated P/L (3) Operating Income

(million yen)



【 Major factors for increase/decrease 】

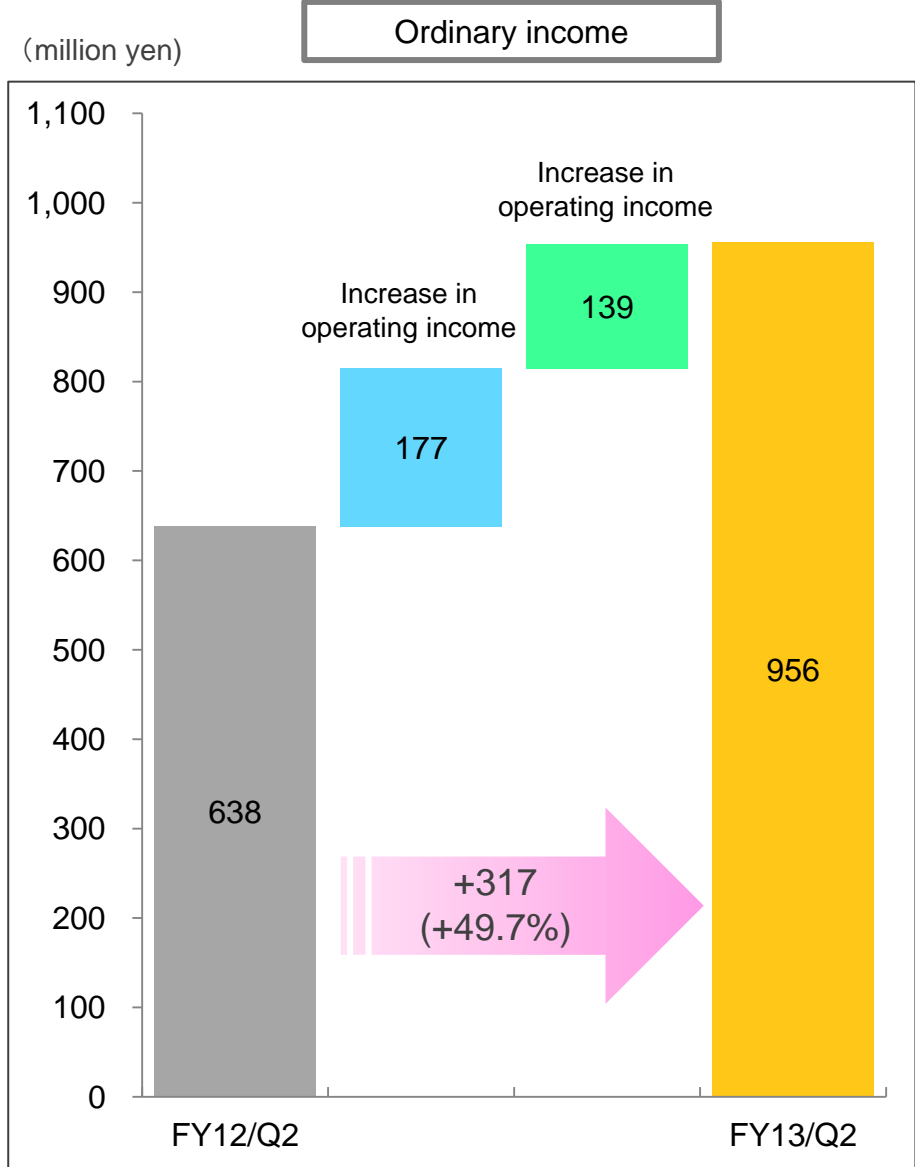
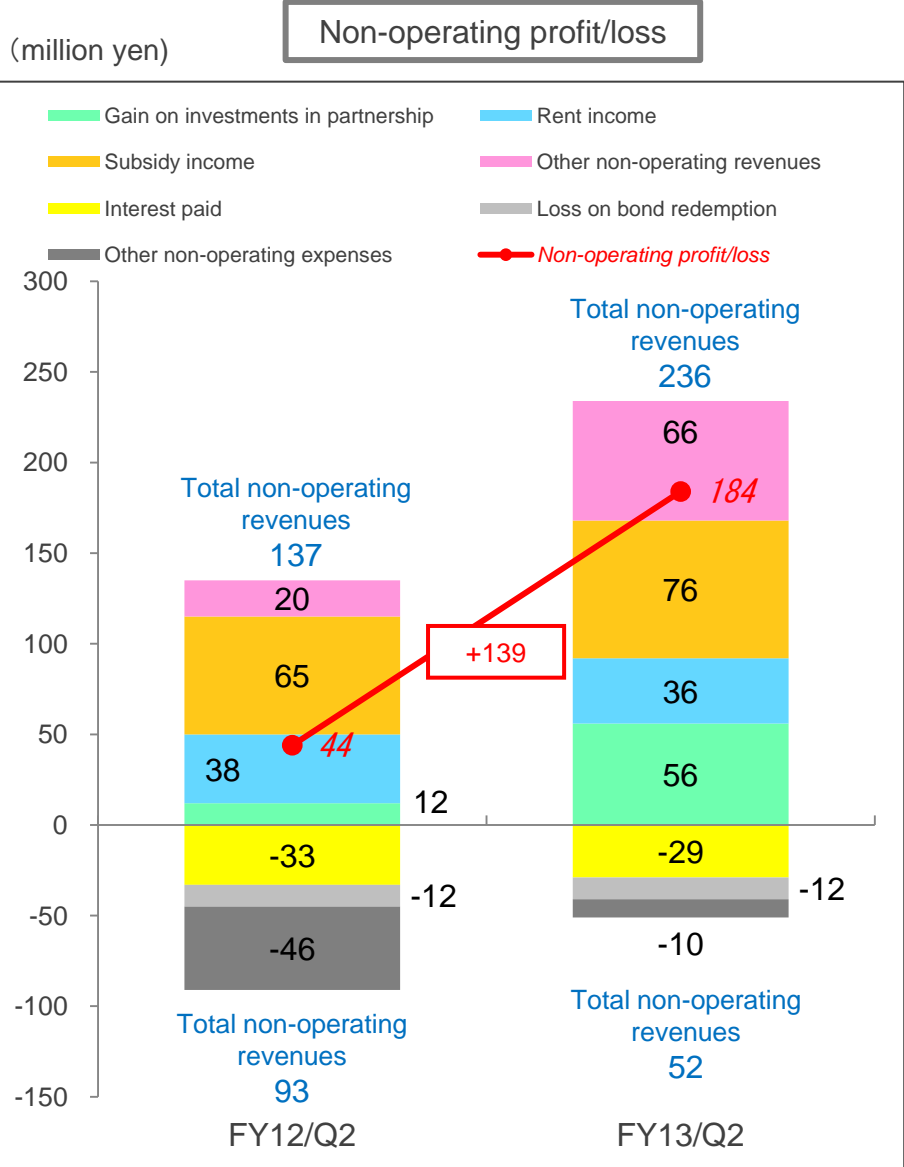
Construction technician temporary staffing	+181million yen
▪ Increase in net sales	+836million yen
▪ Decrease in SG&A expenses margin	▲0.3pt.

Engineer temporary staffing	+1million yen
▪ Improvement in operating rate	

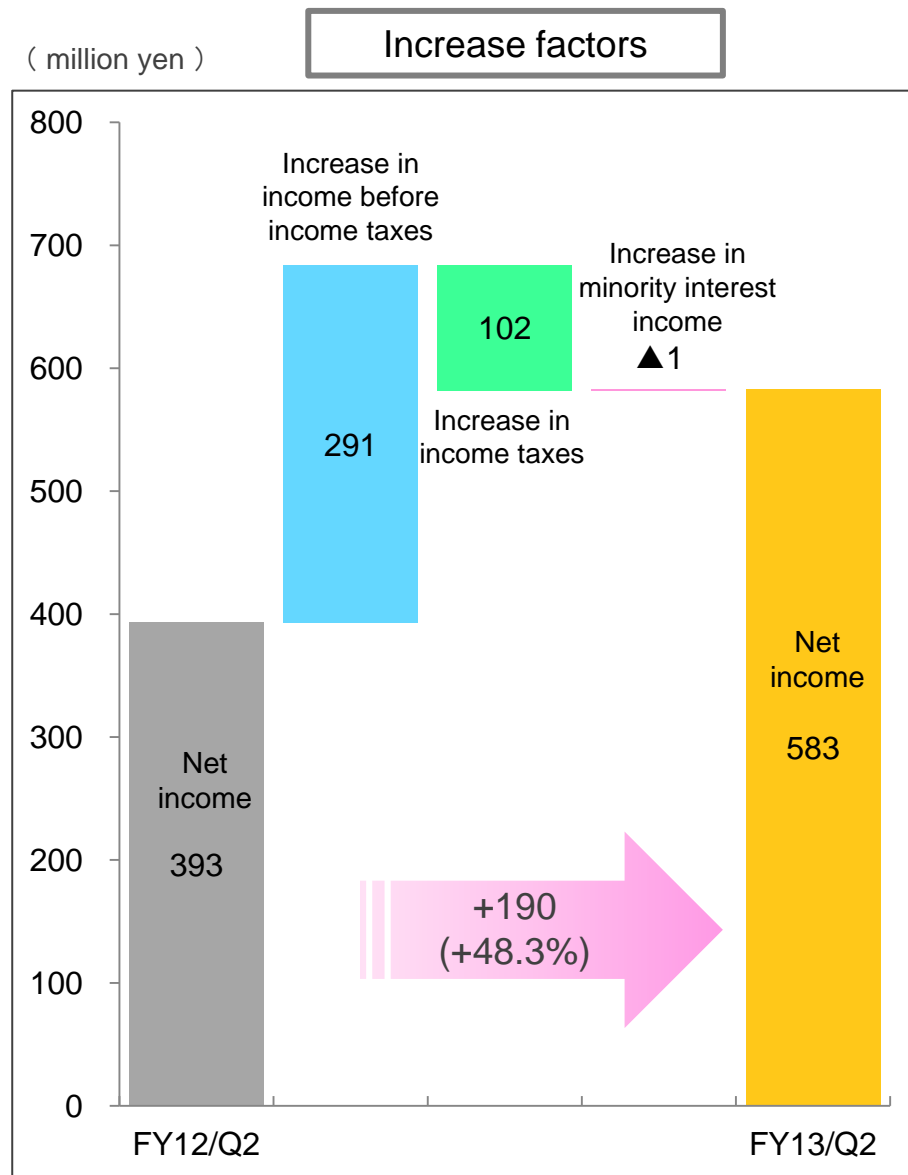
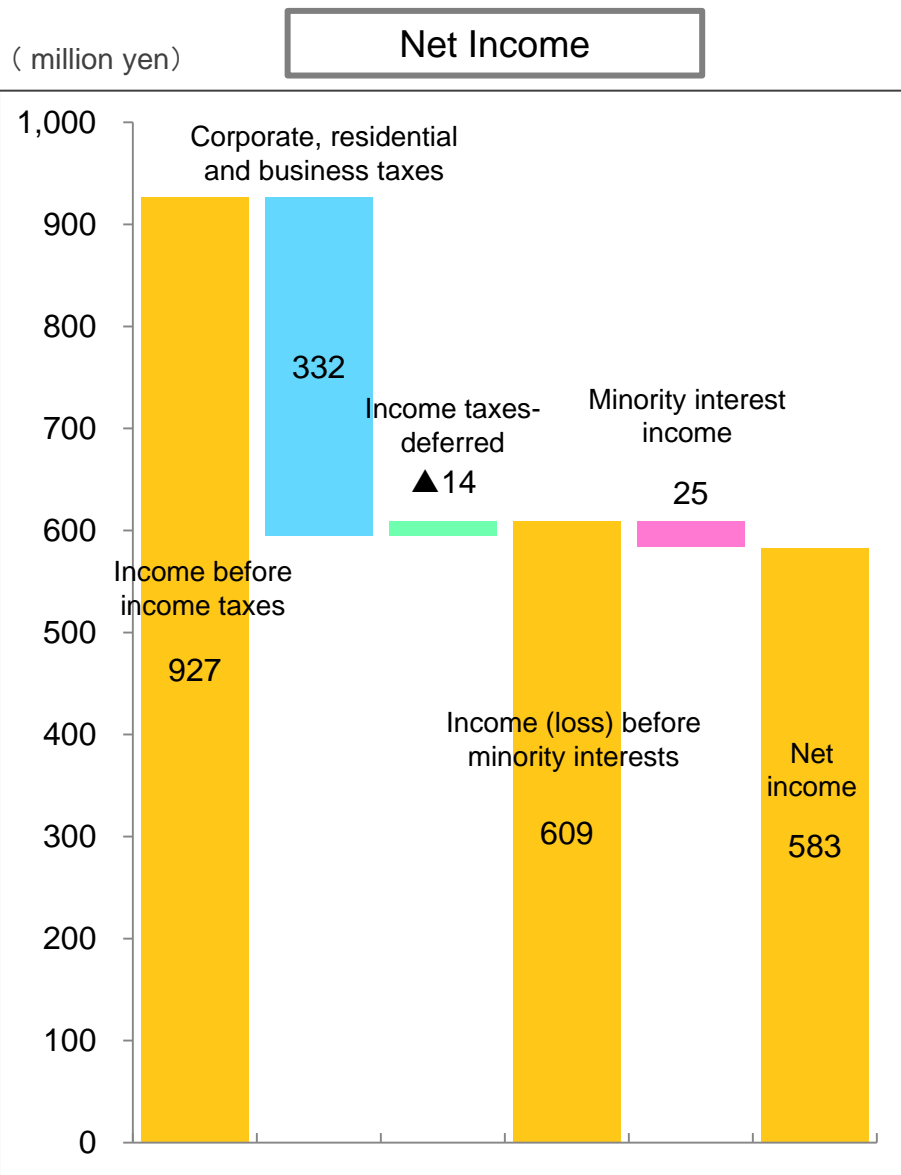
Daycare services	▲7million yen
▪ Decrease in net sales	▲17million yen

Medical and nursing support	+0.7million yen
▪ Increase in net sales	+34million yen

Consolidated P/L Statement (4) Non-operating Profit/Loss and Ordinary Income



Consolidated P/L Statement (5) Quarterly Net Income



Summary of Consolidated P/L Statement

(million yen)

	FY12/Q2	FY13/Q2	Change	Pct. change
Net sales	5,432	6,132	700	12.9%
Gross profit	1,561 (28.7%)	1,844 (30.1%)	283	18.2%
SG&A expenses	966 (17.8%)	1,072 (17.5%)	105	10.9%
Operating income	594 (10.9%)	772 (12.6%)	177	29.9%
Ordinary income	638 (11.8%)	953 (15.6%)	317	49.7%
Net income	393 (7.3%)	583 (9.5%)	190	48.4%

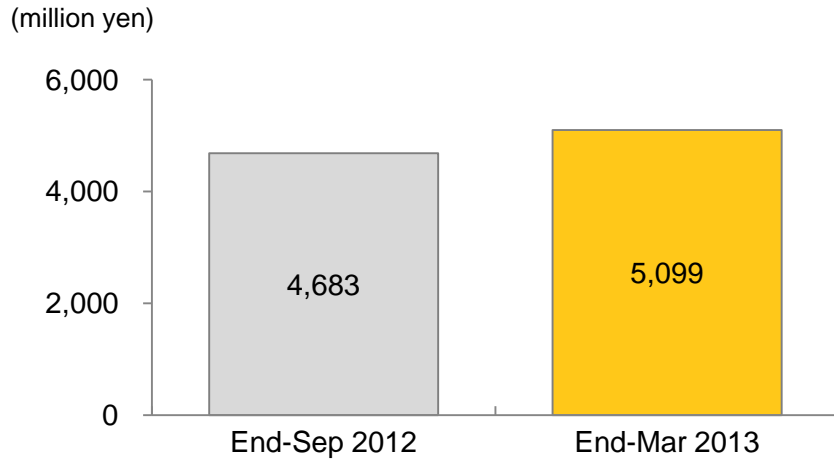
※ () = Percentage of sales

Consolidated Financial Overview

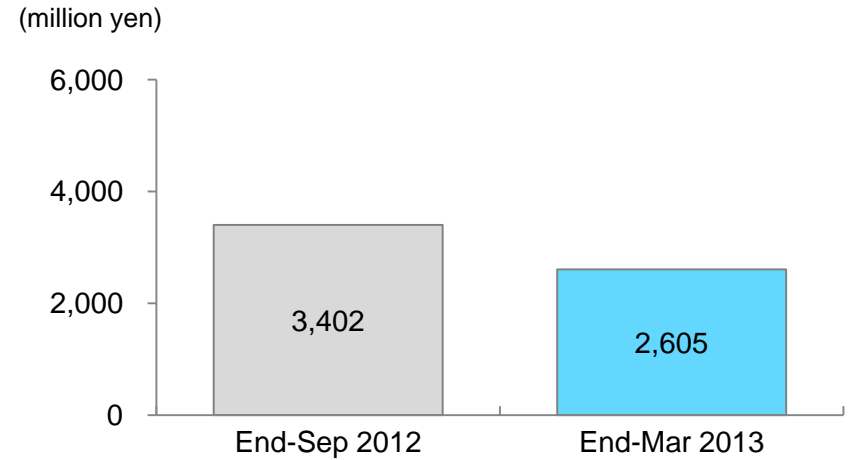
Consolidated B/S Statement

Consolidated B/S Statement

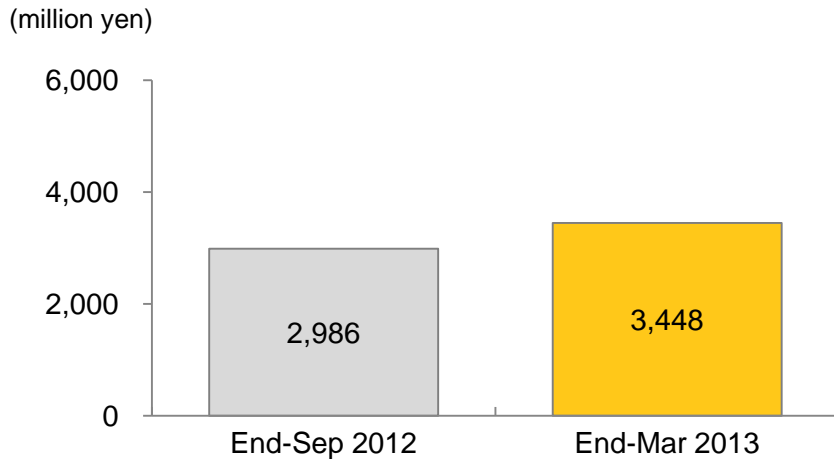
Current assets



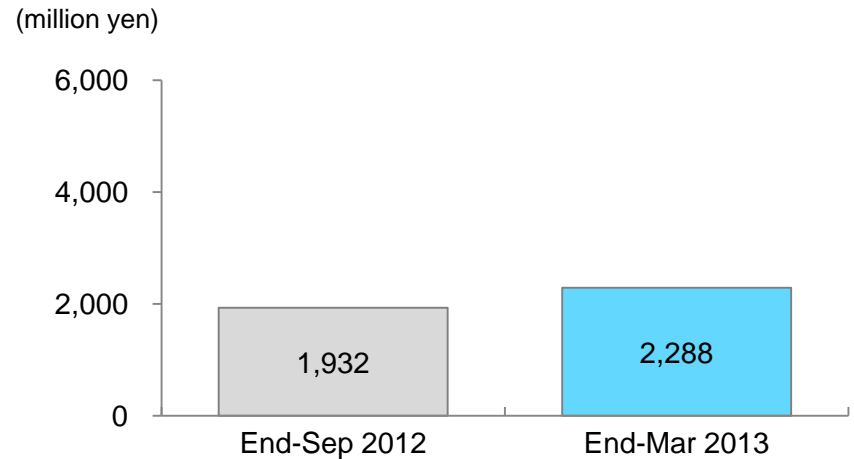
Current liabilities



Fixed assets



Fixed liabilities



Consolidated B/S (1) Assets

(million yen)

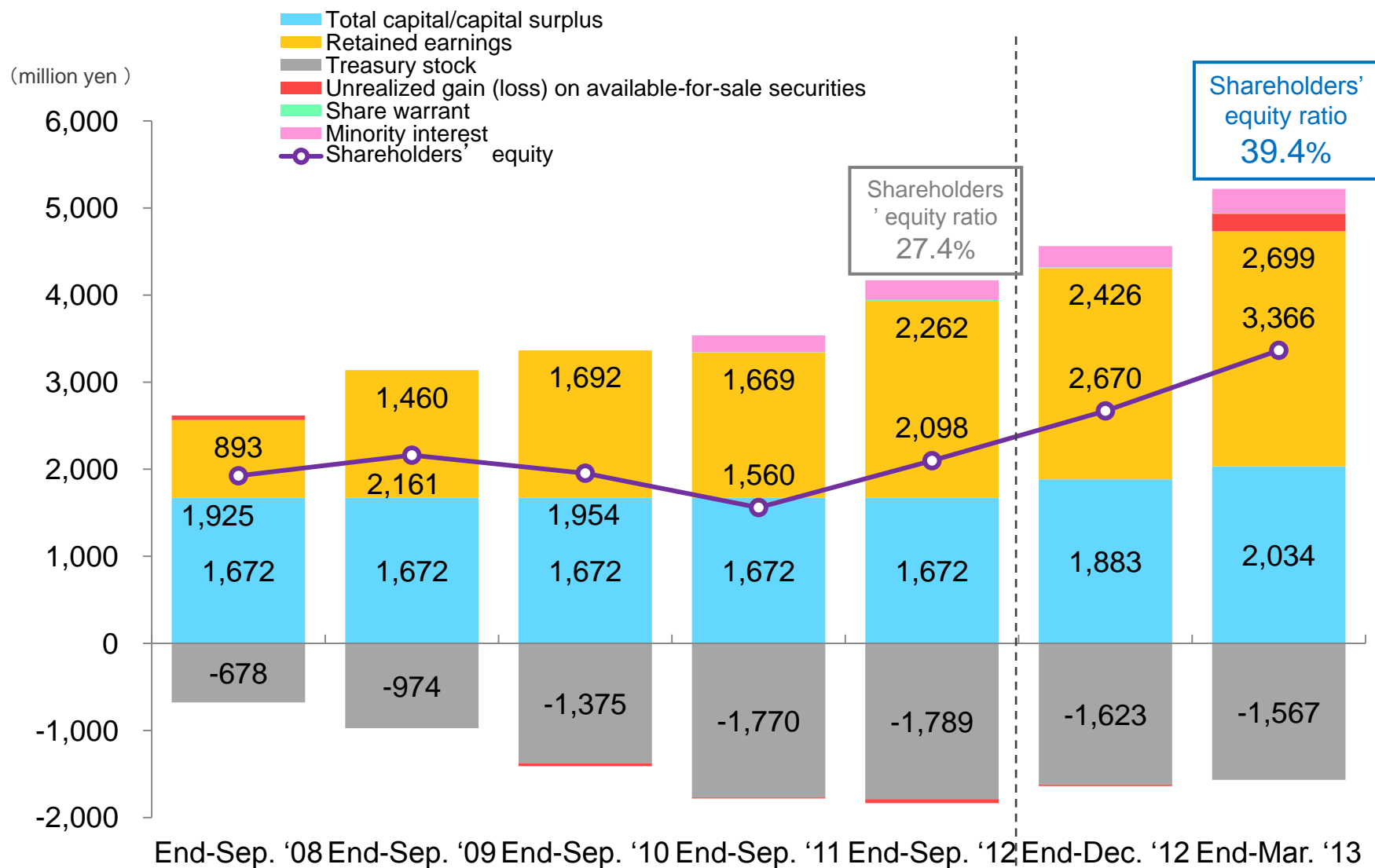
	End-Sep. 2012	End-Dec. 2013	Change	Remarks
Assets	7,669	8,547	877	
Current assets	4,683	5,099	415	
Cash and deposits	2,557	3,070	512	Increased due to operating activities
Notes and accounts receivable-trade	1,626	1,723	97	
Securities	7	12	5	
Inventories	1	0.9	▲0.2	
Others	575	374	▲201	
Allowance for doubtful accounts	▲84	▲82	2	
Fixed assets	2,986	3,448	461	
Tangible fixed assets	1,412	1,412	0.4	
Buildings and structures	738	769	30	
Others	673	643	▲29	
Intangible fixed assets	666	619	▲46	
Goodwill	628	586	▲41	Decreased due to regular amortization
Others	37	33	▲4	
Investments and other assets	907	1,415	507	
Investment securities	688	1,171	483	
Others	305	299	▲6	
Allowance for doubtful accounts	▲86	▲55	30	

Consolidated B/S (2) Liabilities and Net Assets

(million yen)

	End-Sept. 2012	End-Dec. 2013	Change	Remarks
Liabilities	5,334	4,893	▲440	
Current liabilities	3,402	2,605	▲796	
Account payable-trade	14	11	▲2	
Short-term debt	975	416	▲558	
Current portion of long-term debt	850	724	▲126	
Income taxes payable	442	340	▲101	
Reserve for bonuses	176	180	3	
Others	942	932	▲10	
Fixed liabilities	1,932	2,288	356	
Long-term debt	1,509	1,745	236	Operating funds
Reserve for employees' retirement benefits	254	262	7	
Asset retirement obligation	3	2	▲0.8	
Others	164	277	113	
Net assets	2,335	3,654	1,318	
Shareholders' equity	2,144	3,166	1,021	
Capital	805	805	—	
Capital surplus	867	1,229	361	Increased due to disposal of treasury stock
Retained earnings	2,262	2,699	437	Increased due to net income
Treasury stock	▲1,789	▲1,567	222	Increased due to third-party allotment
Accumulated other comprehensive income	▲46	200	246	
Unrealized gain (loss) on available-for-sale securities	▲46	200	246	
Share warrant	10	11	1	
Minority interest	226	275	49	

Consolidated B/S (3) Shareholders' Equity



※Shareholders' equity= Net assets—Minority interest—Share warrant

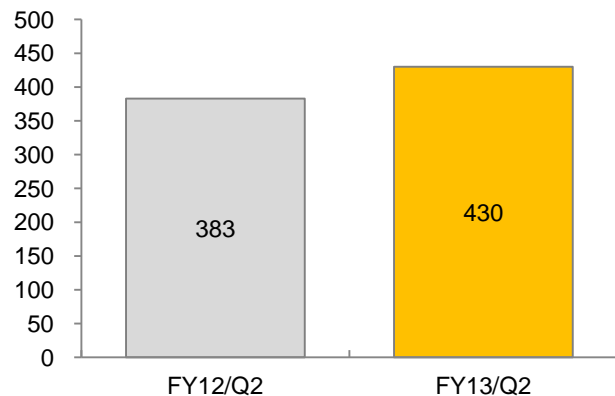
Consolidated C/F Statement

Consolidated C/F Statement (1)

Operating CF

(million yen)

(million yen)

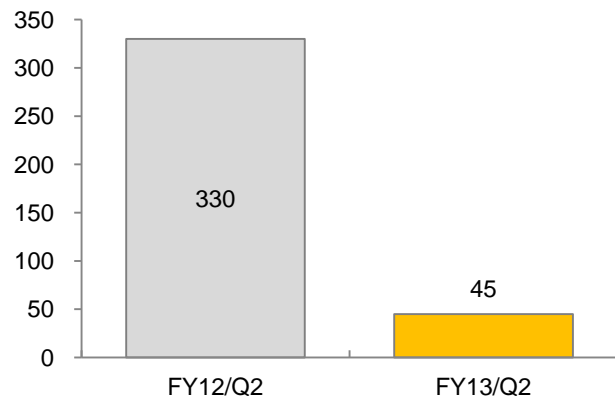


FY12/Q2		FY13/Q2	
Income before income taxes	635	Income before income taxes	927
Amortization of goodwill	47	Amortization of goodwill	41
Decrease(increase) in trade receivables	▲205	Loss(Proceeds) from sale of investment securities	▲56
Payment of income taxes	▲104	Decrease(increase) in trade receivables	▲93
		Payment of income taxes	▲434

Investing CF

(million yen)

(million yen)

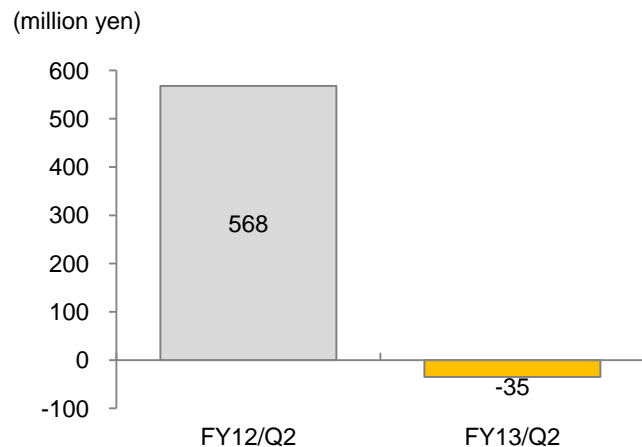


FY12/Q2		FY13/Q2	
Decrease(increase) in time deposits	748	Payments for acquisition of investment securities	▲751
Payments for acquisition of investment securities	▲472	Proceeds from sale of investment securities	740
Proceeds from sale of investment securities	126	Proceeds from share of profits on investments in capital	49
Payments of loans	▲56		

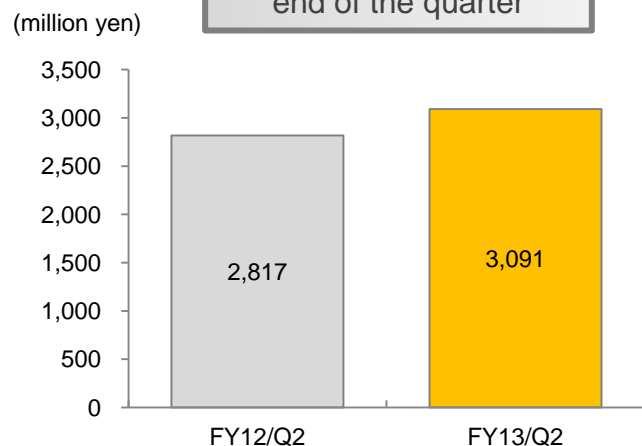
※Major items in the consolidated cash flow statements are presented

Consolidated C/F Statement (2)

Financing CF



Cash and equivalents at end of the quarter



(million yen)

FY12/Q2		FY13/Q2	
Net increase(decrease) in short-term debt	1,238	Increase(decrease) in short-term debt	▲558
Proceeds from long-term debt	1,550	Proceeds from long-term debt	670
Repayment of long-term debt	▲872	Repayment of long-term debt	▲560
Payments for redemption of bond	▲1,255	Payments for acquisition of treasury stock	581
		Dividends paid	▲146

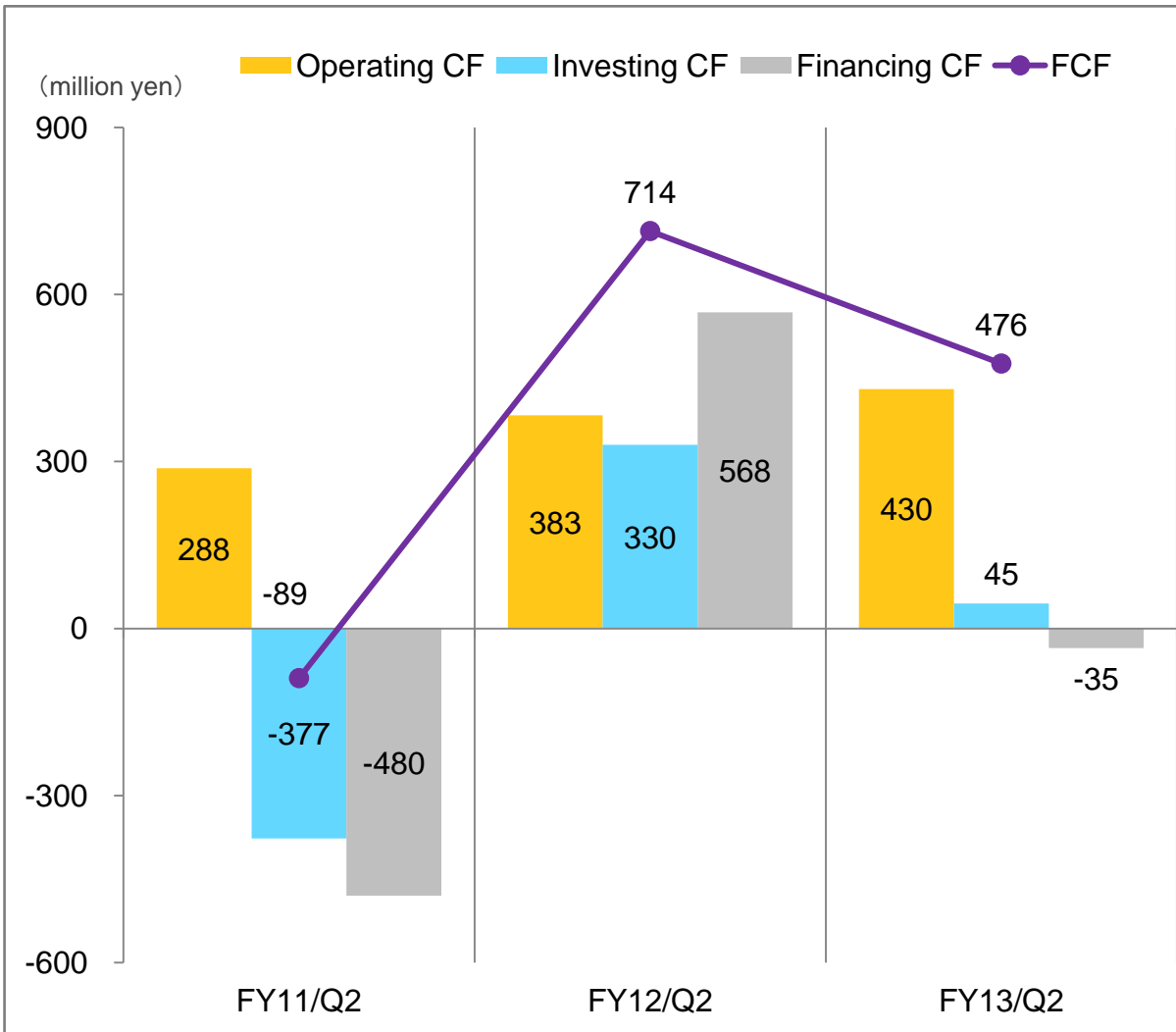
(million yen)

	FY12/Q2	FY13/Q2
Effect of exchange rate changes on cash and cash equivalents	0	1
Increase(Decrease) in cash and cash equivalents	1,282	442
cash and cash equivalents at beginning of the year	1,534	2,649

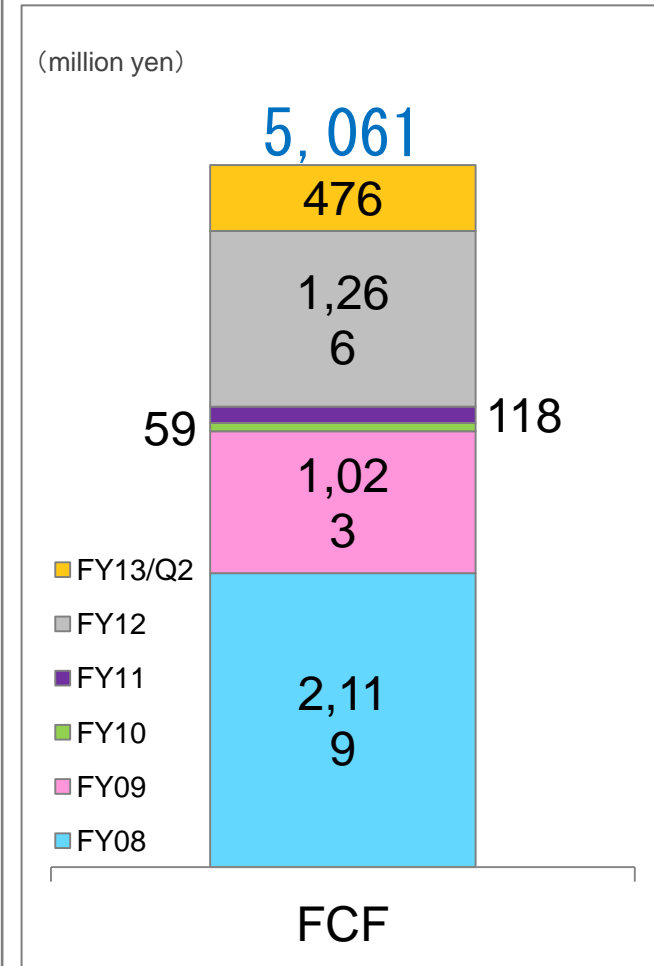
※Major items in the consolidated cash flow statements are presented

Consolidated C/F Statements (3) FCF

Cash Flows



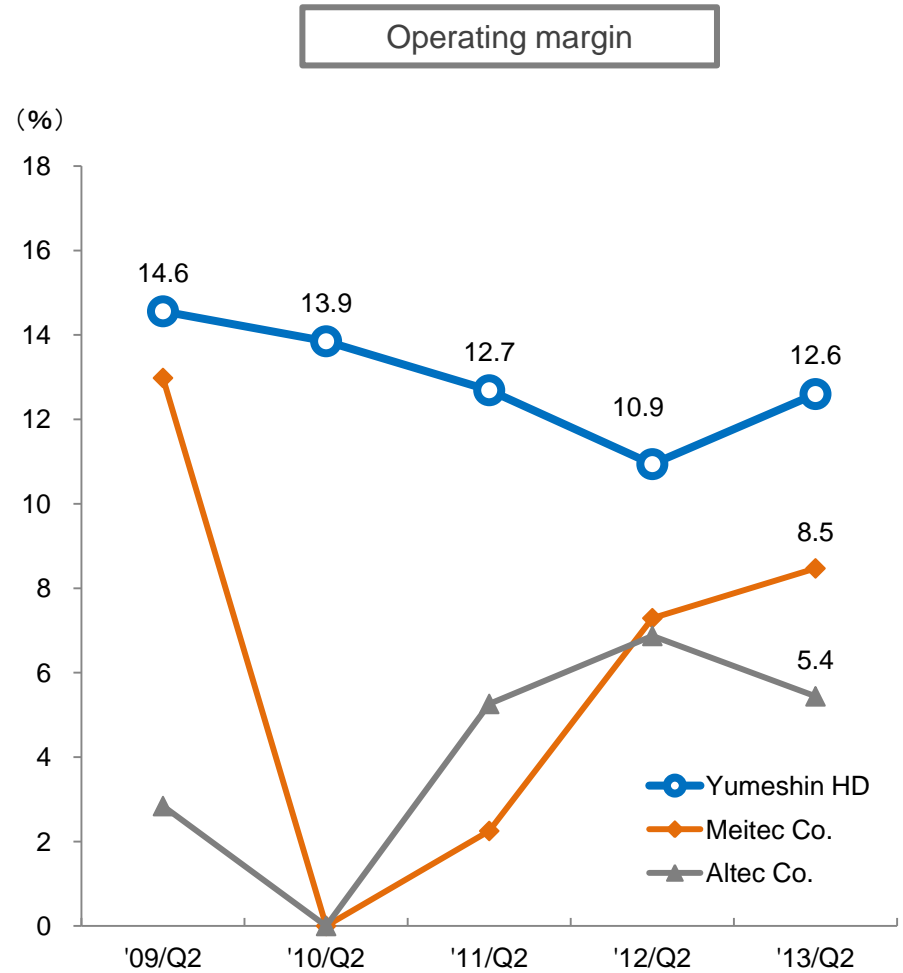
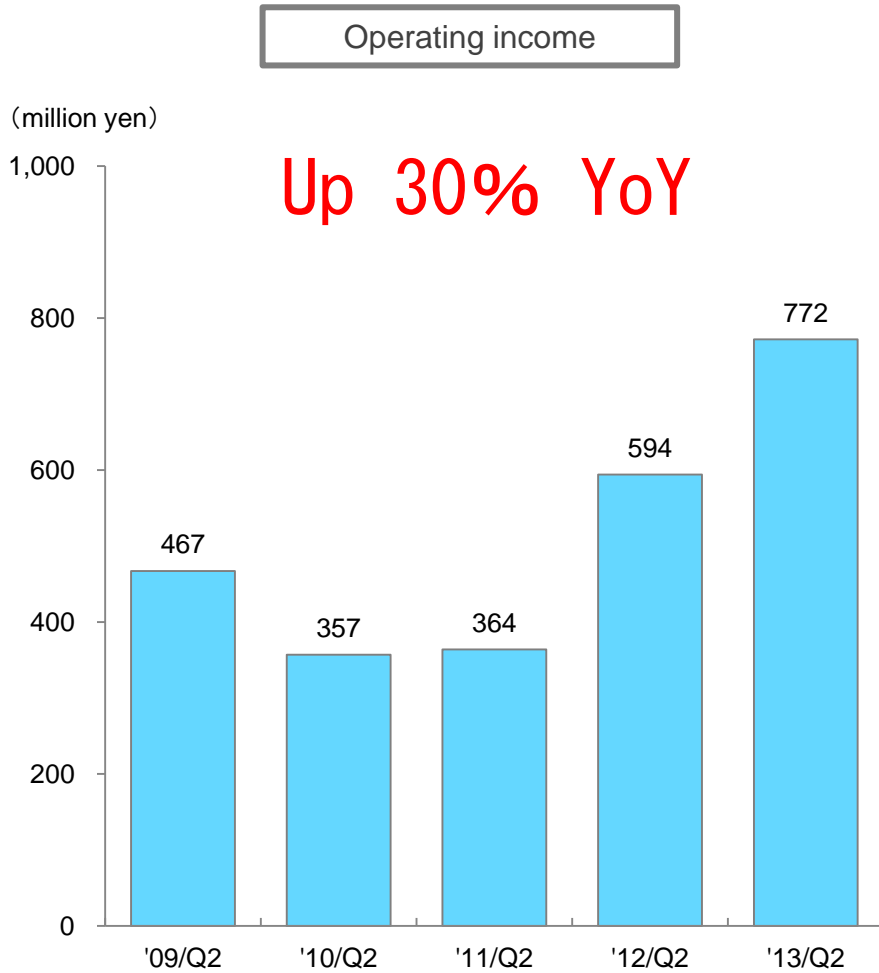
5.0 billion yen
increase in five years



※Free cash flow (FCF) = Operating CF + Investing CF

Financial Index

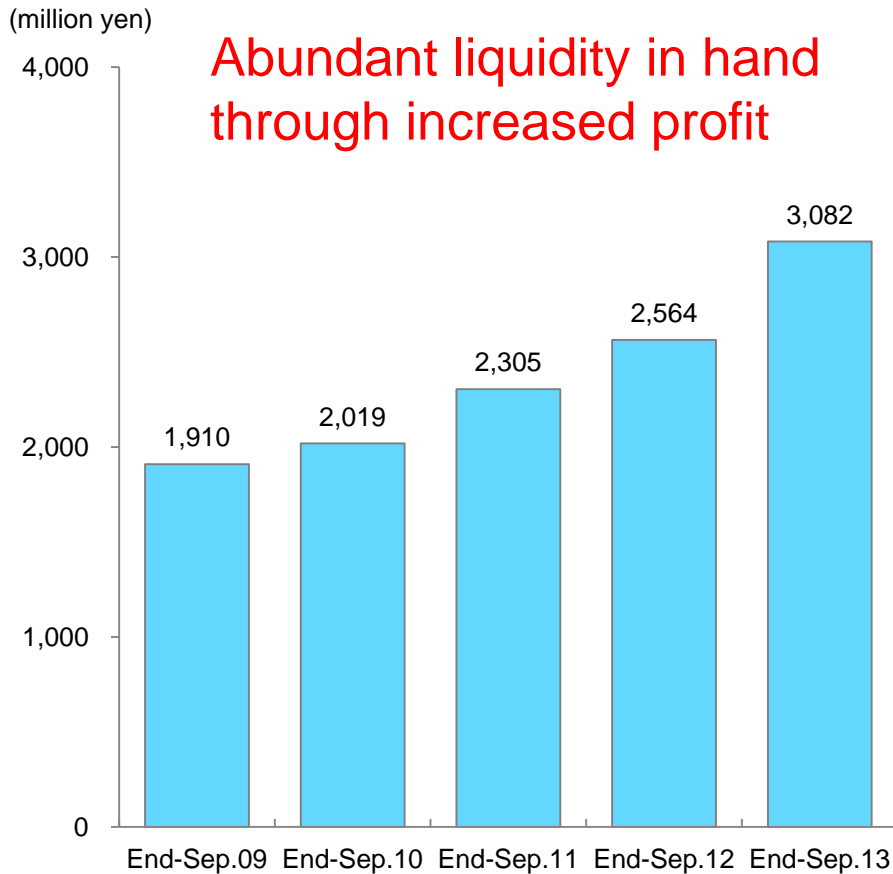
Financial Index (1) Operating Income



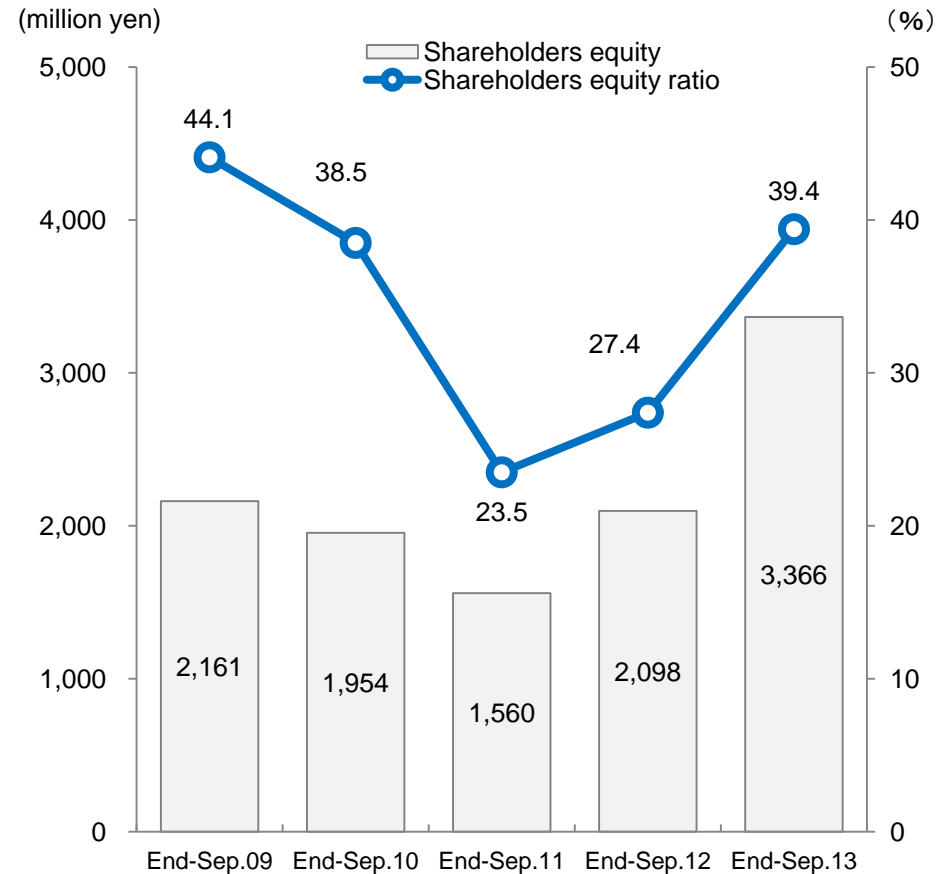
※ 1. Operating margin = Operating Income ÷ Net sales
 2. Other companies' operating margins are based on disclosure materials of each company

Financial Index (2) Liquidity in Hand · Shareholders' Equity

Liquidity In hand



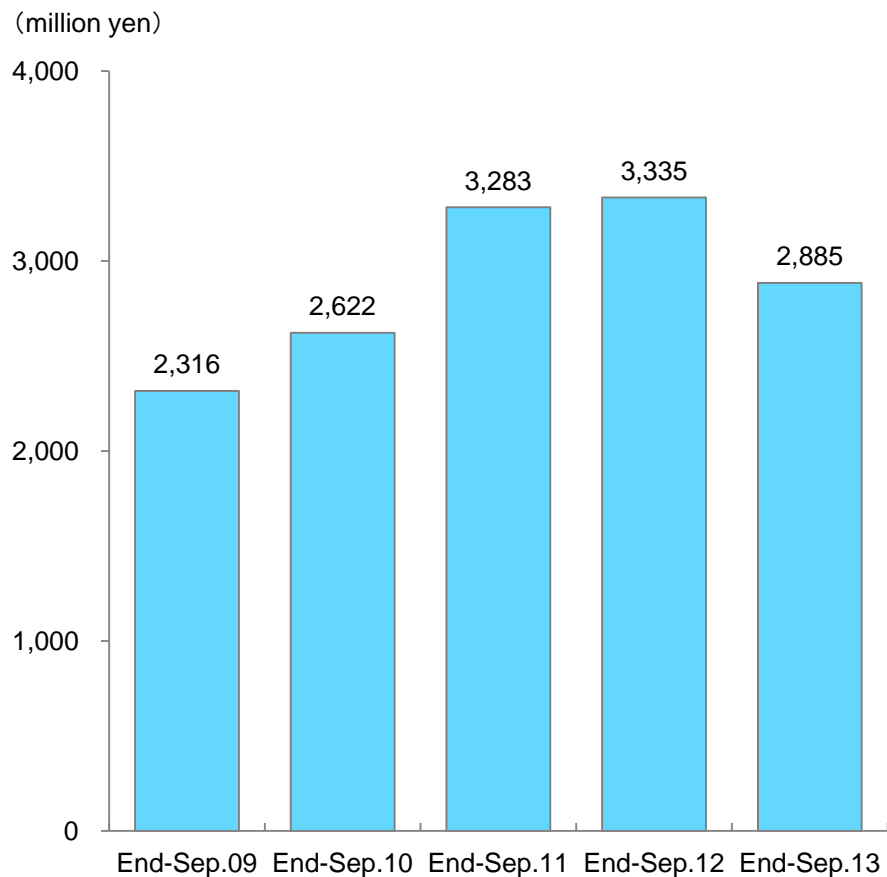
Shareholders' equity



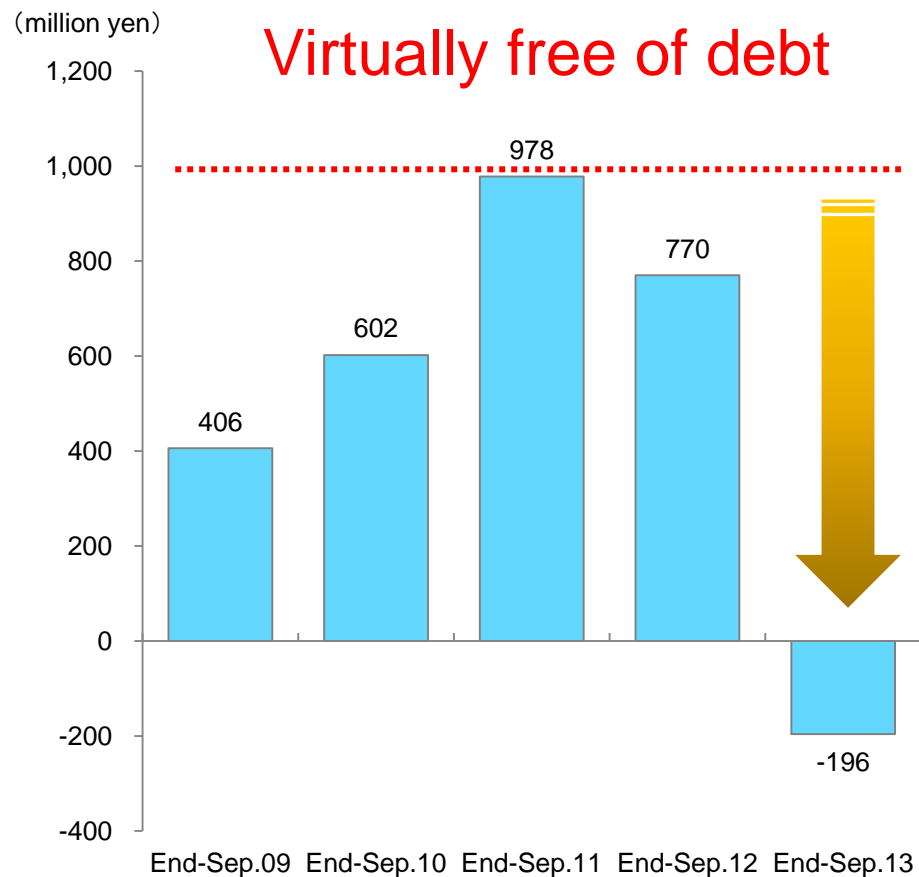
- ※1. Liquidity In hand = Cash and deposits + Securities included in current assets
- 2. Shareholders' equity = Net assets - Minority interest - Share warrant
- 3. Shareholders' equity ratio = Shareholders' equity ÷ Total assets

Financial Index (3) Interest-bearing debt

Interest-bearing debt



Net Interest-bearing debt



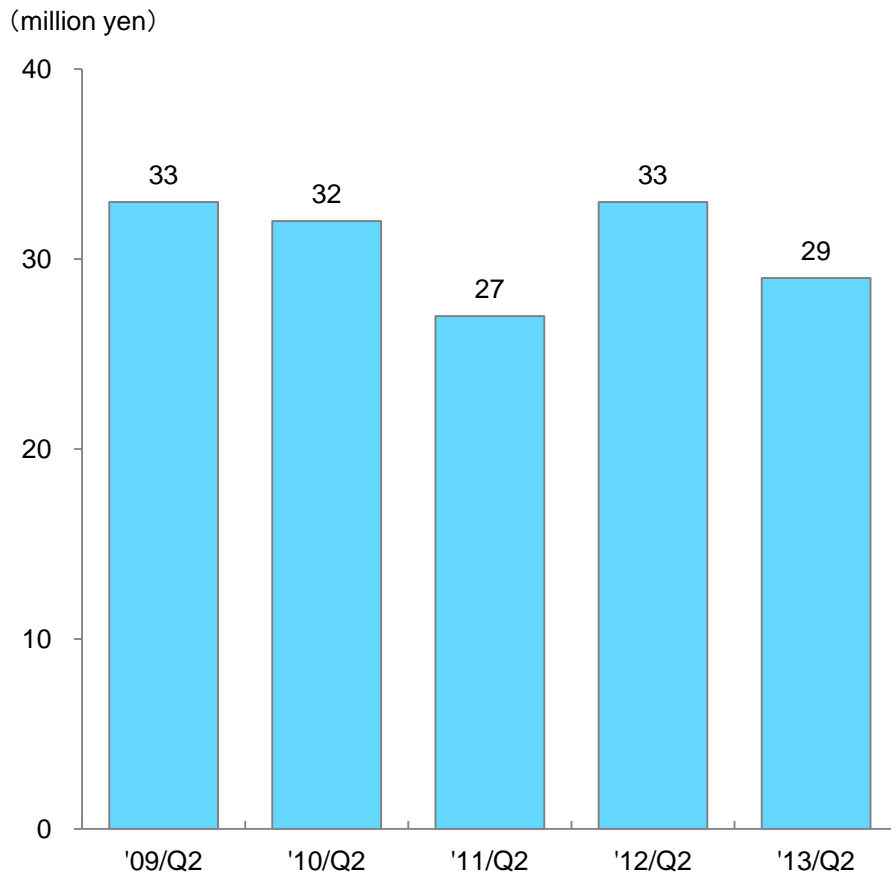
※1. Net Interest-bearing debt = Interest-bearing debt - Liquidity In hand

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

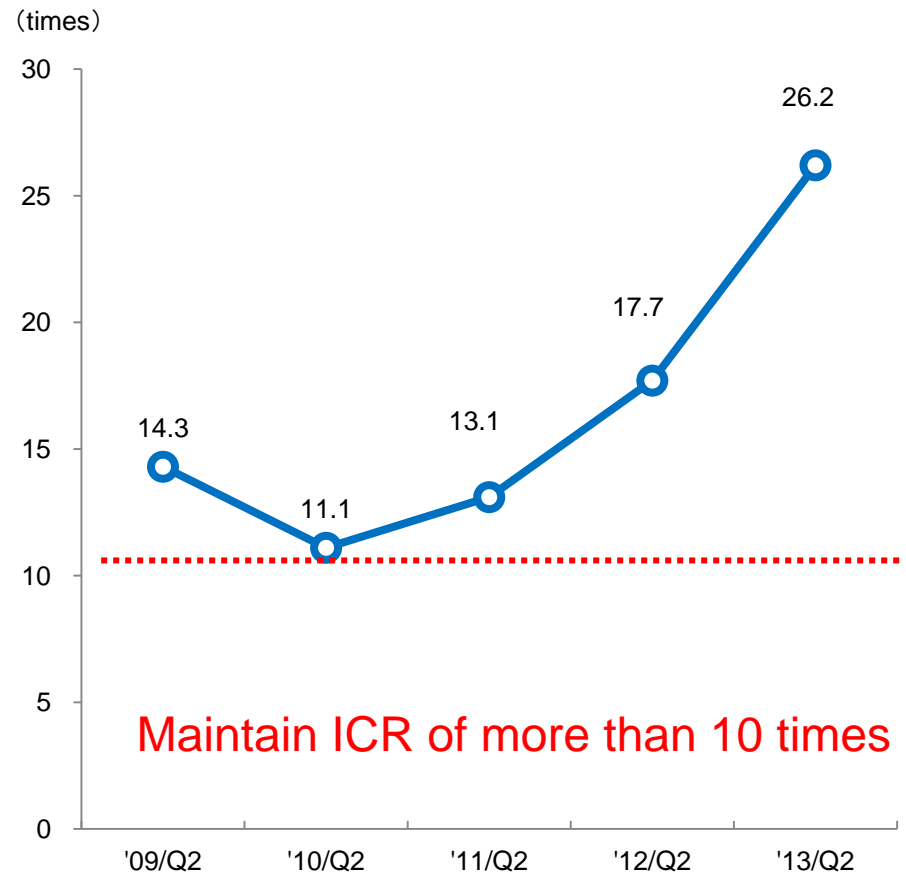
3. Liquidity In hand = Cash and deposits + Securities included in current assets

Financial Index (4) Interest Paid · ICR

Interest paid



ICR

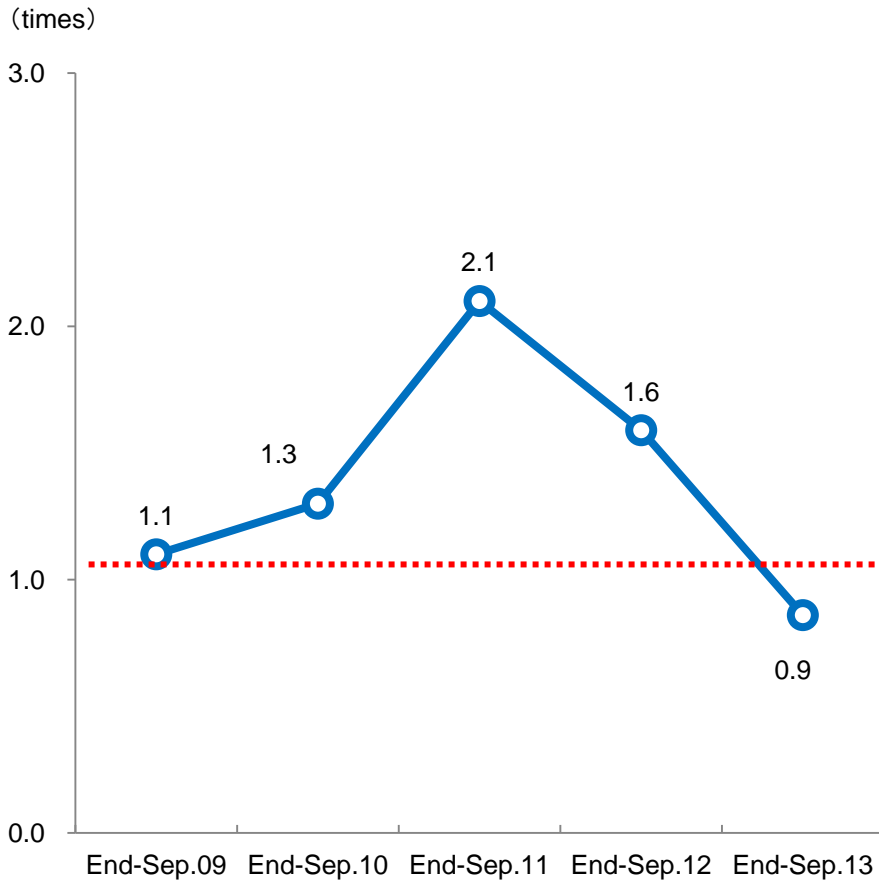


※1. Interest coverage ratio (ICR) = Net operating profit ÷ Interest paid

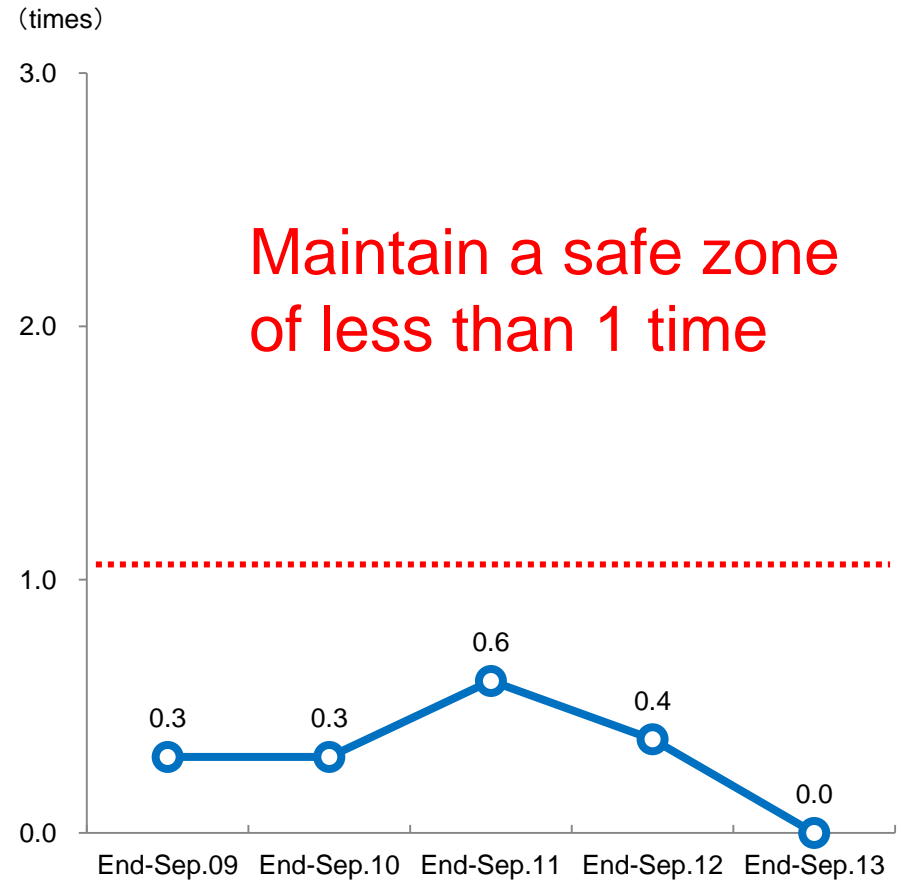
2. Net Operating profit = Operating Income + Interest received + Dividend received + Investment profit on equity method

Financial Index (5) D/E Ratio

D/E ratio



Net D/E ratio



※1. Net D/E ratio = Net Interest-bearing debt ÷ Shareholders' equity

2. D/E ratio = Interest-bearing debt ÷ Shareholders' equity

3. Net interest-bearing debt = Interest-bearing debt - Liquidity In hand

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

5. Liquidity In hand = Cash and deposits + Securities included in current assets

Summary of Consolidated B/S

(million yen)

	End-Sept. '12	End-Mar. '13	Change
Shareholders' equity	2,098	3,366	1,267
Shareholders' equity ratio	27.4%	39.4%	12.0pt.
Liquidity in hand	2,564	3,082	517
Interest-bearing debt	3,335	2,885	▲449
D/E ratio	1.59times	0.86times	▲0.73pt.

Segment Overview

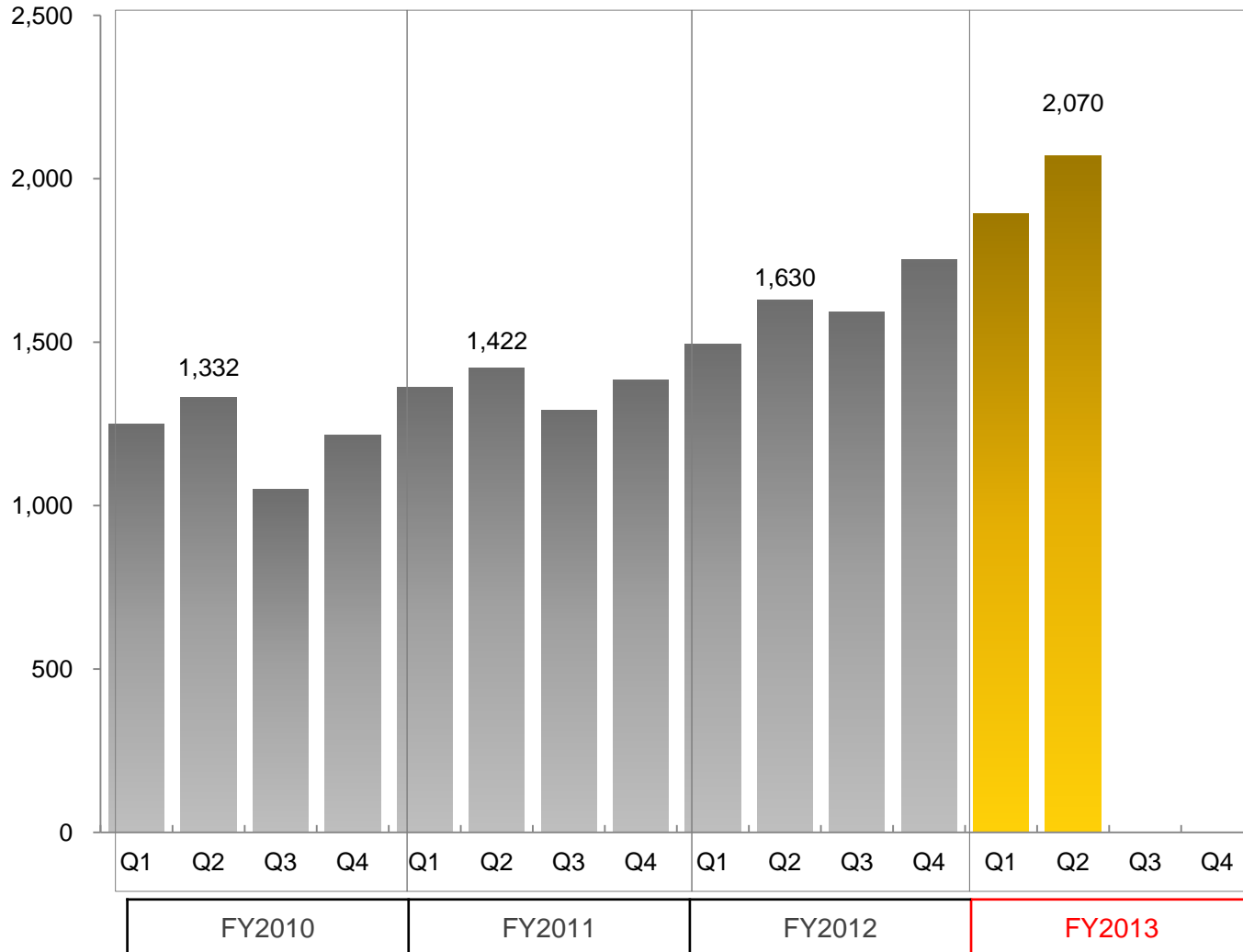
Segment Overview

Construction Technician Temporary Staffing

Quarterly Net Sales

Increased sales from increase in engineers

(million yen)



Up **26.8%**
YoY

Four Indicators of Sales

No. of engineers

×

Operating rate

×

Operating time

×

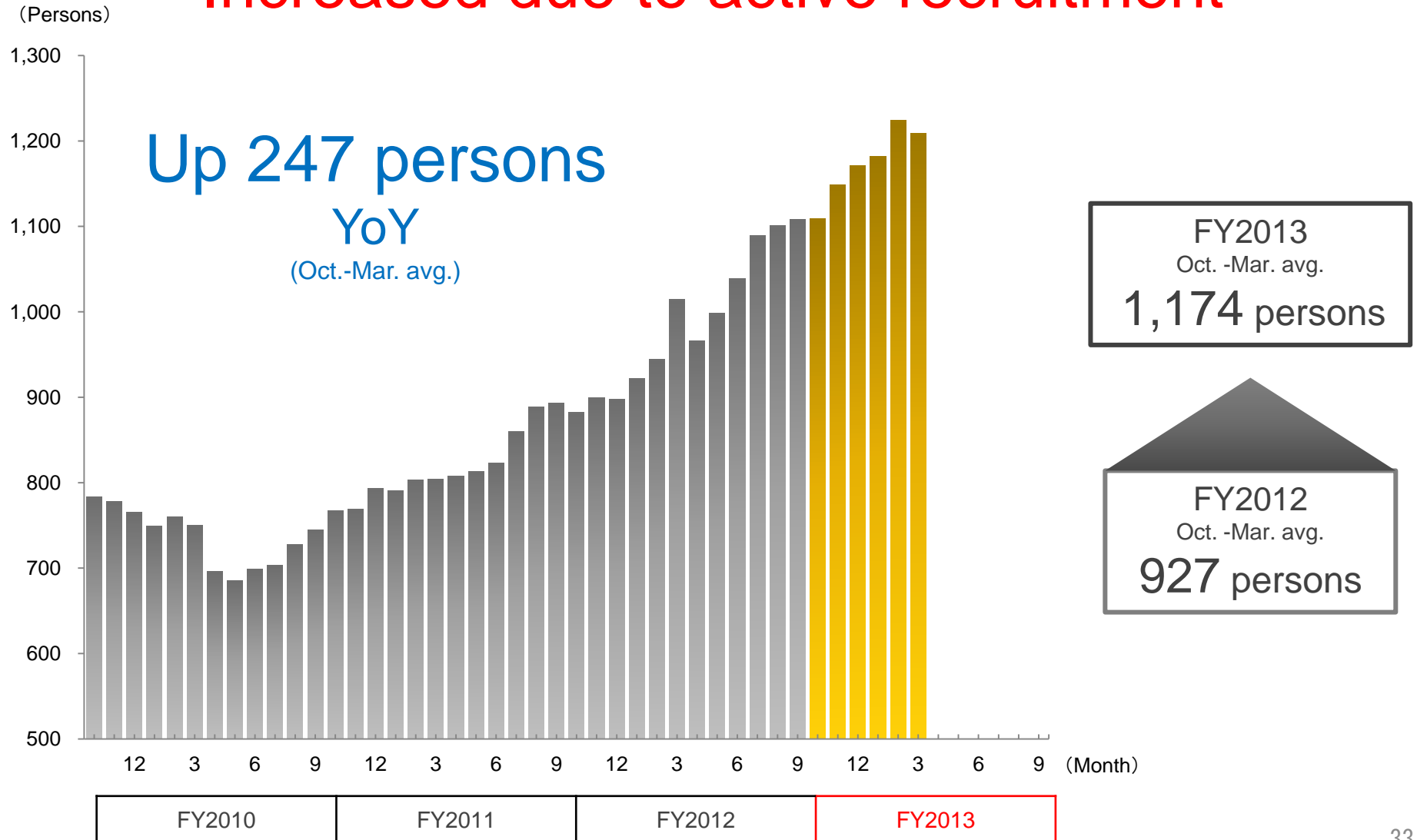
Unit cost of
temporary staffing



Sales

Indicators of Sales (1) Number of Engineers

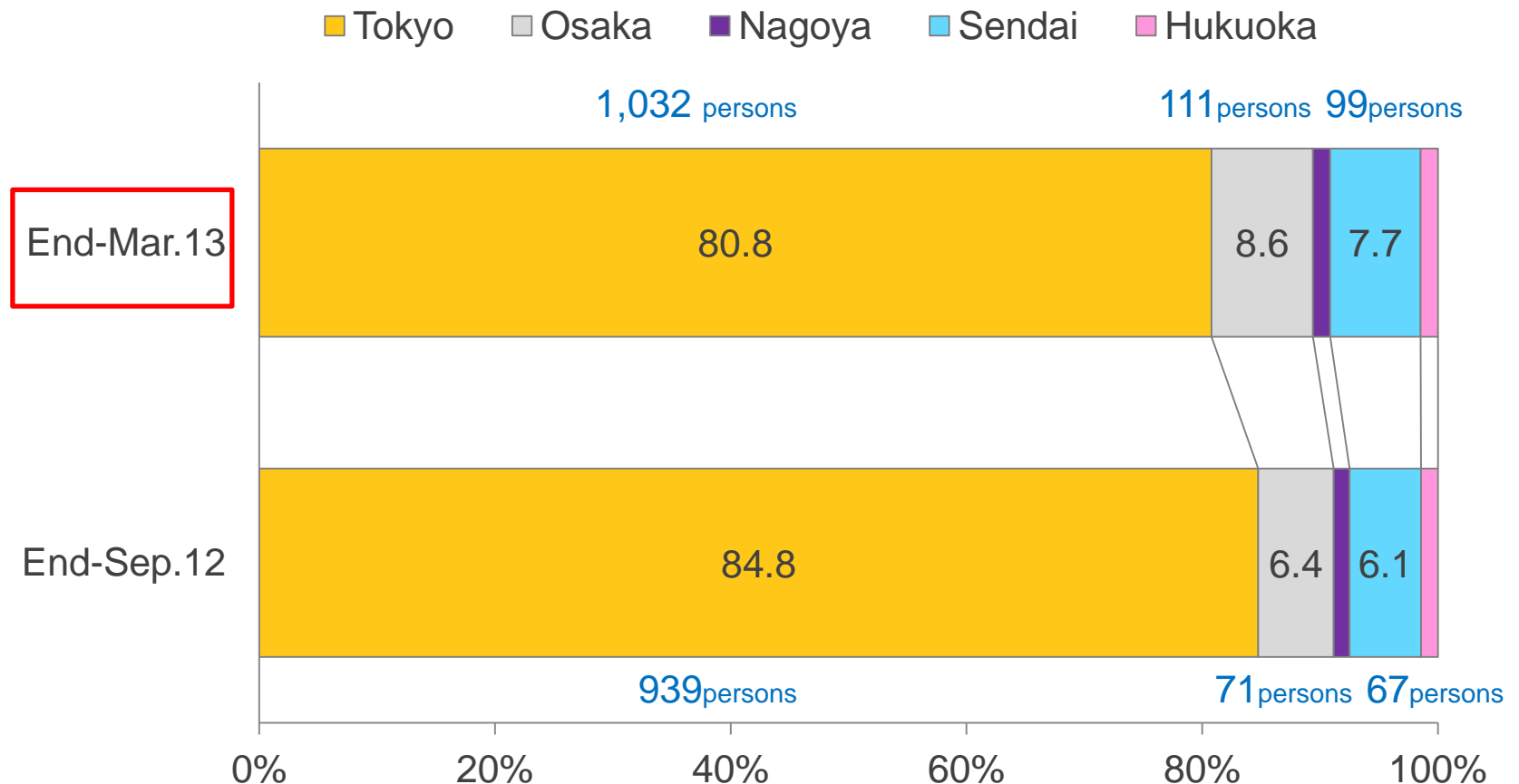
Increased due to active recruitment



※ Number of engineers at the end of month

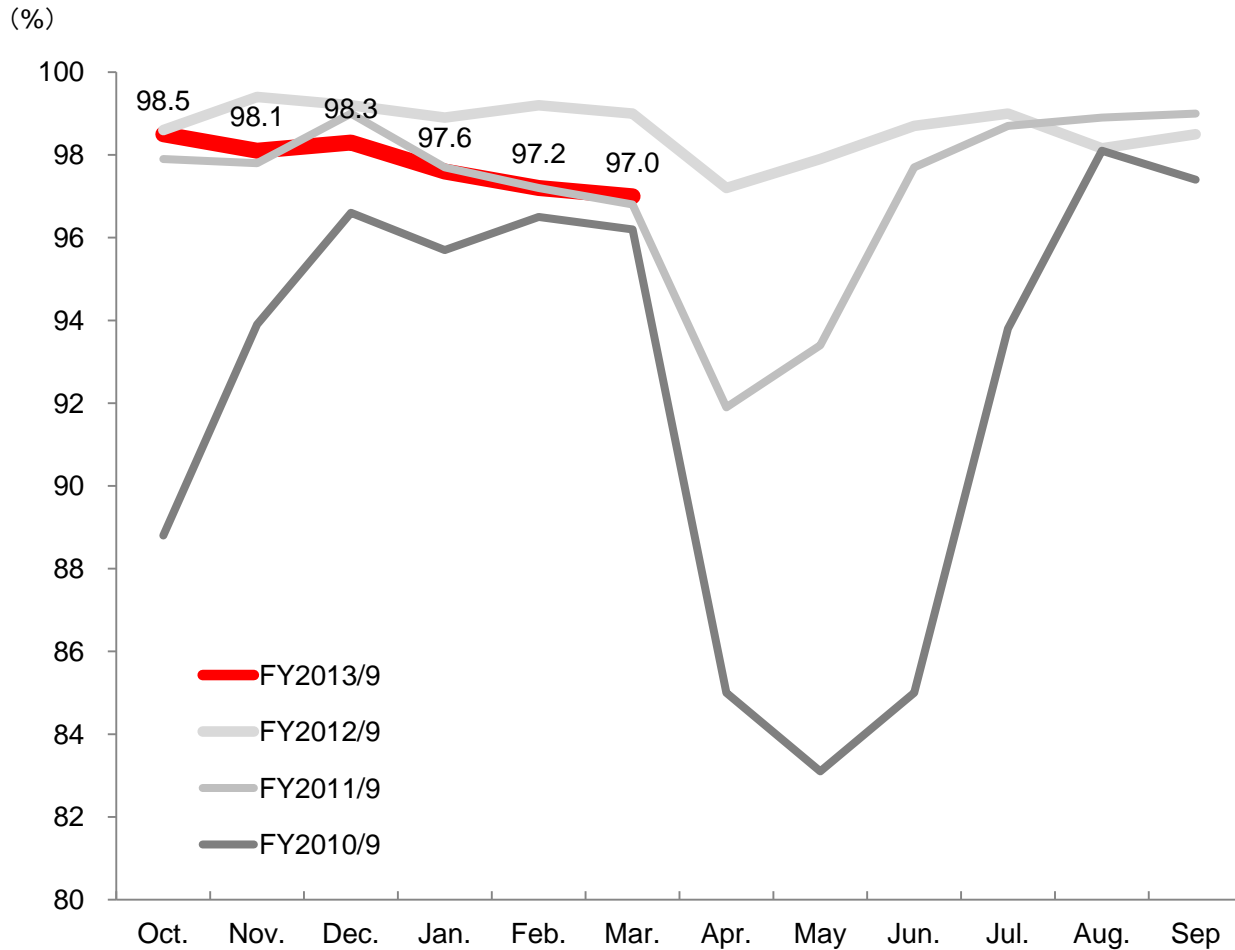
Indicators of Sales (1) Number of Engineers Composition Ratio

Increased steadily Increased presence in Osaka and Sendai



Indicators of Sales (2) Operation Ratio

Balance mass hiring with operating rate



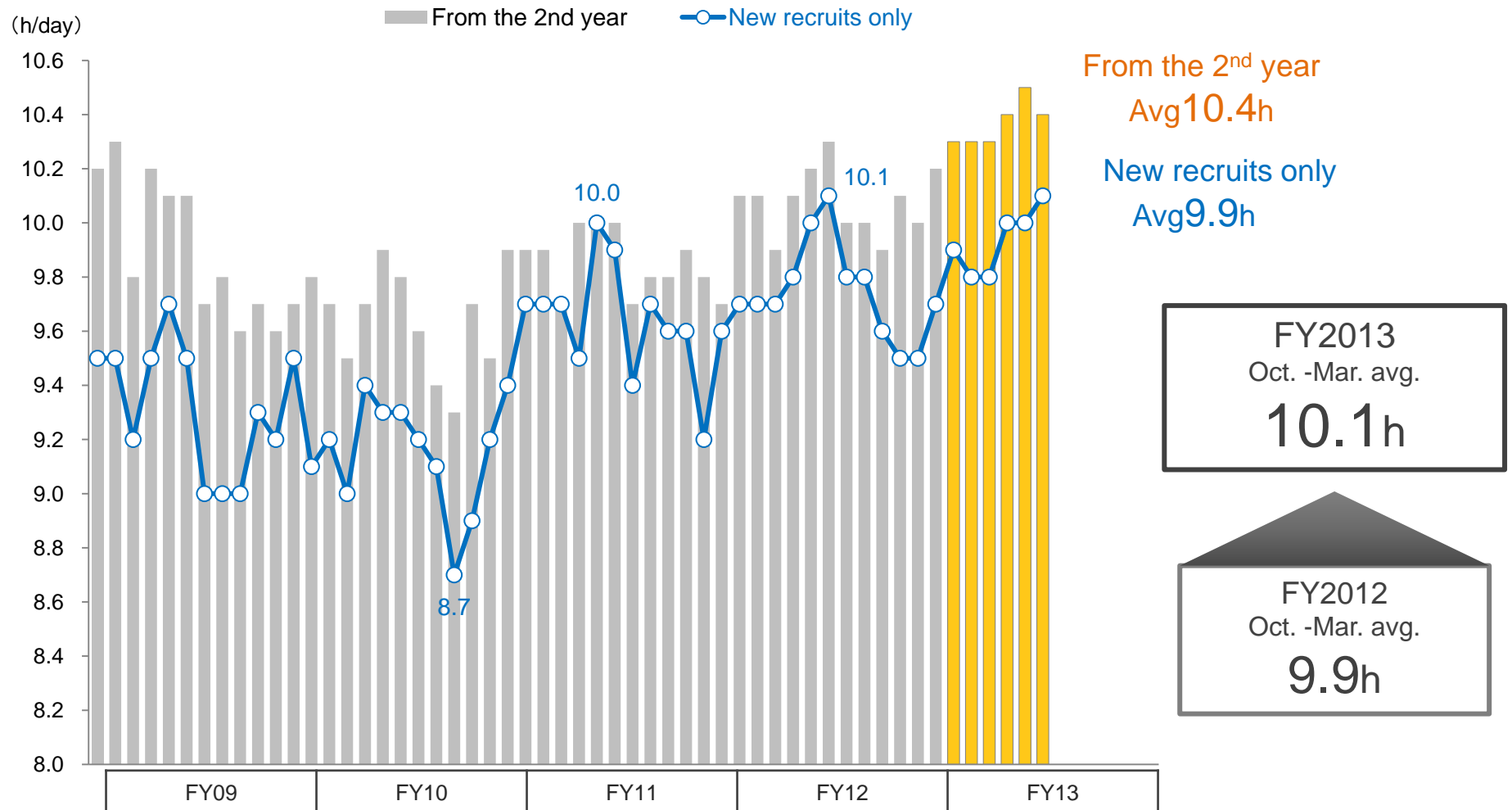
FY2013.Sept.
(Oct. -Mar. avg.)

97.8%

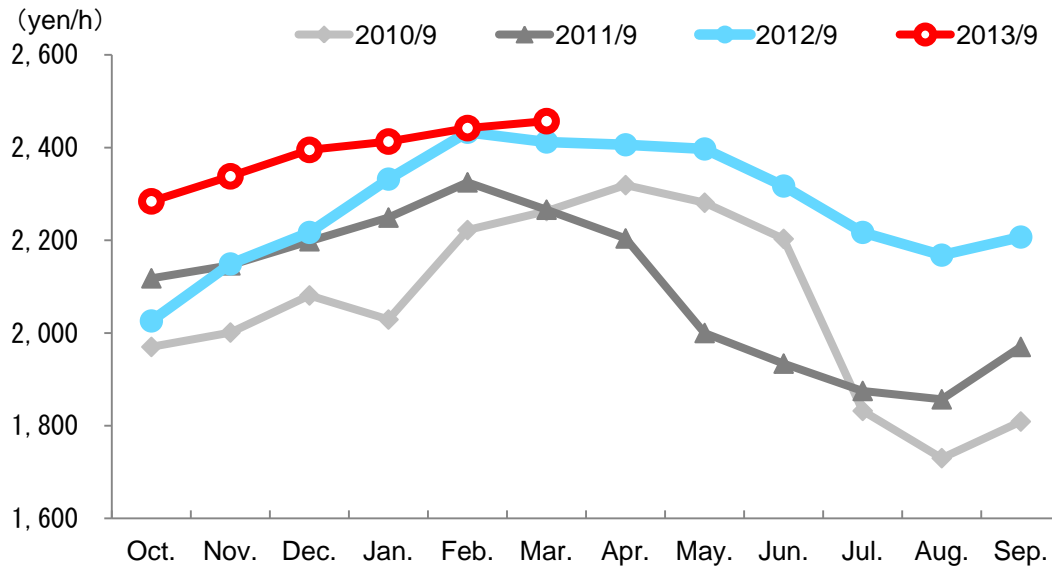
Q1	Q2	Q3	Q4
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Indicators of Sales (3) Operating Time

Rise due to the shortage of engineers

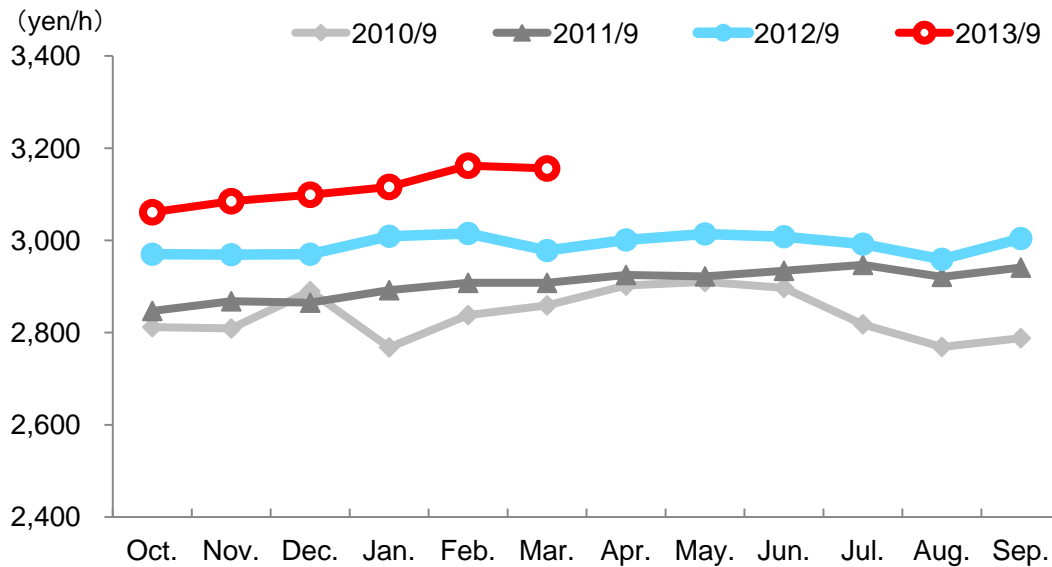
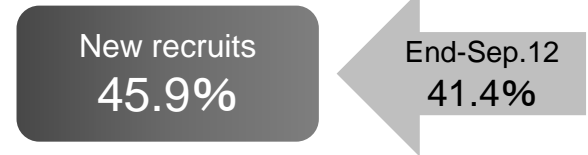


Indicators of Sales (4) Unit Cost of Temporary Staffing



New recruits only

Up 5.6% YoY



From the second year

Up 4.3% YoY



Summary of Four Indicators of Sales

Oct. -Mar. avg.

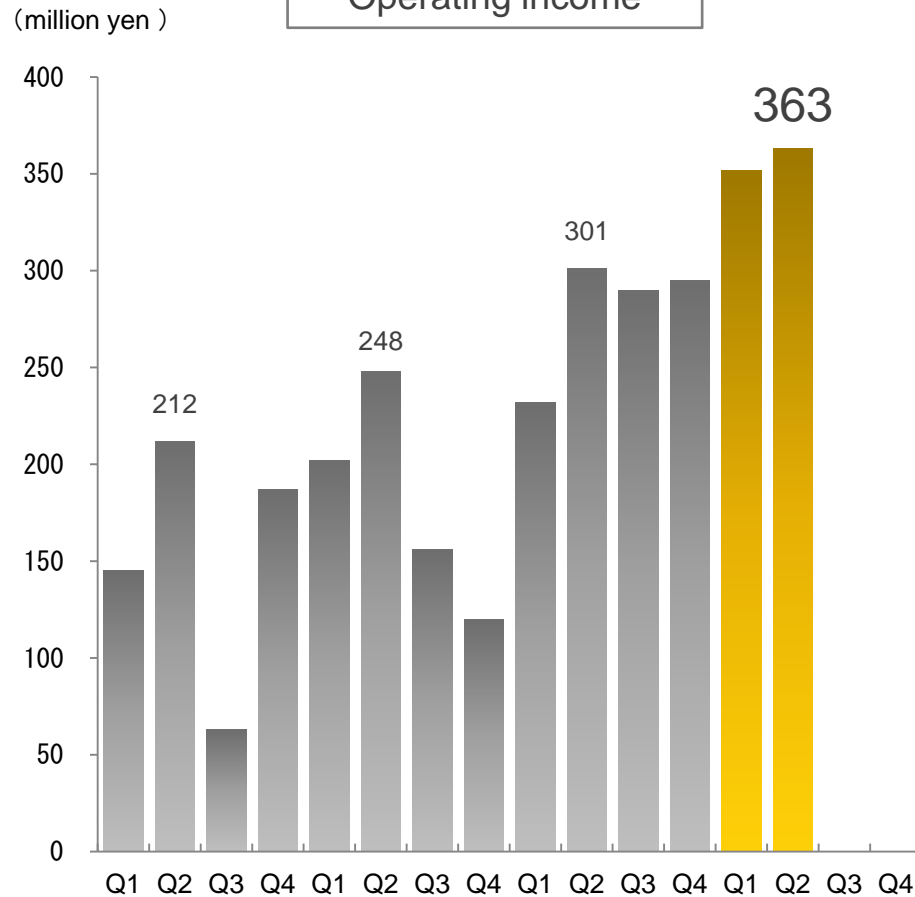
	FY12/Q2	FY13/Q2	Change
No. of engineers	927persons	1,174persons	247persons
Operating ratio	99.1%	97.8%	▲1.3pt.
Operating time	9.9h	10.1h	0.2h
Unit cost of temporary staffing	2,821yen	2,836yen	15yen

Going steadily

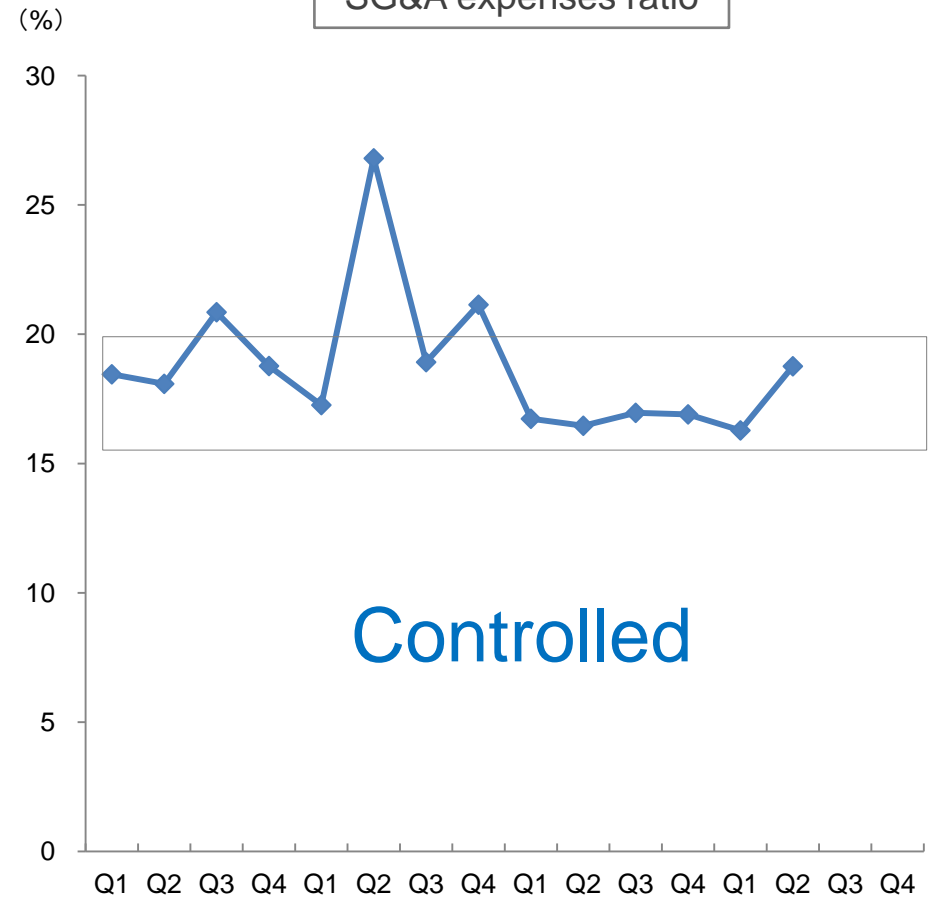
Quarterly Operating Income

Up 34.0% YoY

Operating income



SG&A expenses ratio



Controlled

FY2010

FY2011

FY2012

FY2013

FY2010

FY2011

FY2012

FY2013

Summary of Non-consolidated P/L Statement

(million yen)

	FY12/Q2	FY13/Q2	Change	Pct.change
Sales	3,126	3,962	836	26.8%
<i>Gross profit</i>	1,053 (33.7%)	1,412 (35.7%)	359	34.1%
<i>SG&A expenses</i>	518 (16.6%)	696 (17.6%)	177	34.3%
Operating income	534 (17.1%)	716 (18.1%)	181	34.0%
Ordinary income	510 (16.3%)	849 (21.5%)	338	66.4%
Net income	302 (9.7%)	545 (13.8%)	242	80.1%

※ () = Sales ratio

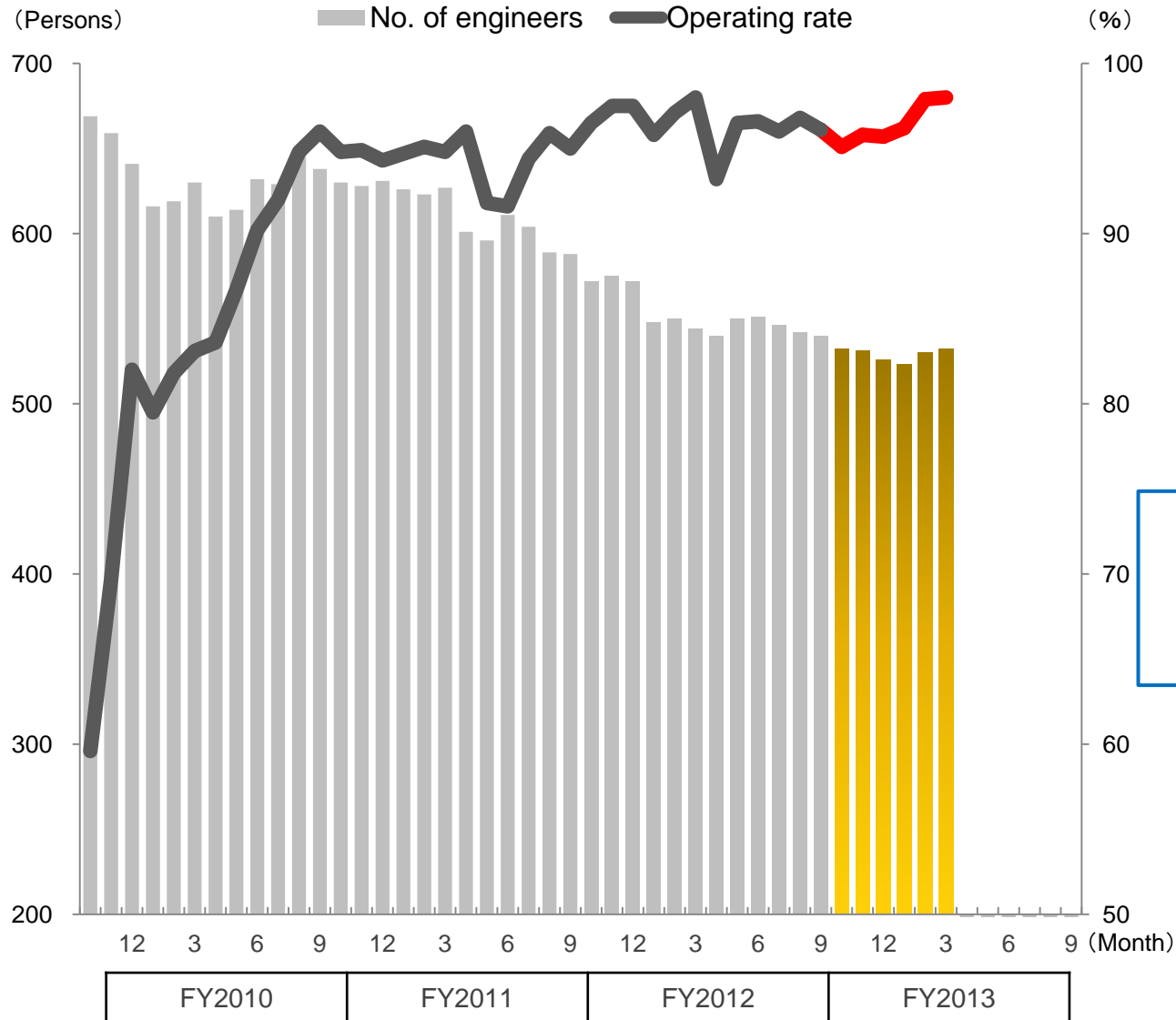
Engineer Temporary Staffing

Efficiency of Management Resources

Measures	Remarks	Effects
Integration of bases/dormitories	Abolished Mizonokuchi/Okazaki dormitories Shared the head office/Osaka/Fukuoka with Yumeshin Holdings	Cut ¥35 million yen/year
Consolidate administrative works	Reduction of overtime work	Cut ¥70 million yen/year
Cut in transportation costs	Abolition of branch manager meetings Cut in unnecessary business trips	Cut ¥10 million yen/year
Cut in communication costs	Change in communication method Review of unnecessary servers	Cut ¥5 million yen/year
Cut in waiting costs	Increase in operating rate	Cut ¥50 million yen/year
Review of payments	Review of purchase, etc.	Cut ¥20 million yen/year
Review of in-house system	Pay the cost of travelling to work for 6 months Review of dormitory system	Cut ¥35 million yen/year

Reduction of 220 million yen a year

Number of Engineers



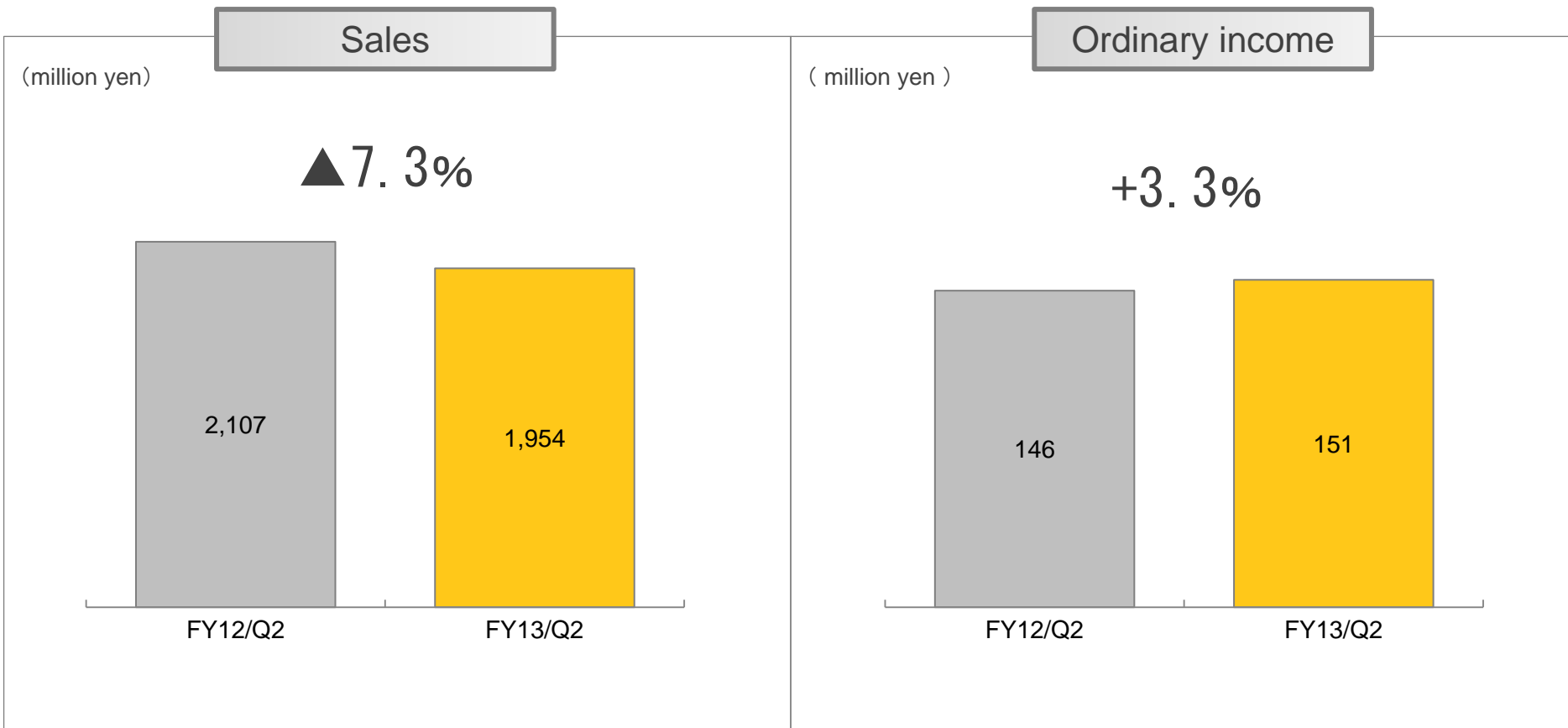
FY2013.Sept.
(Oct. -Mar. avg.)

96.5%

Appropriate number of people by focusing on operating rate

Summary of Business Results

Drop in the number of engineers led to decrease in sales but profit increased due to improvement in operating rate and cost efficiency

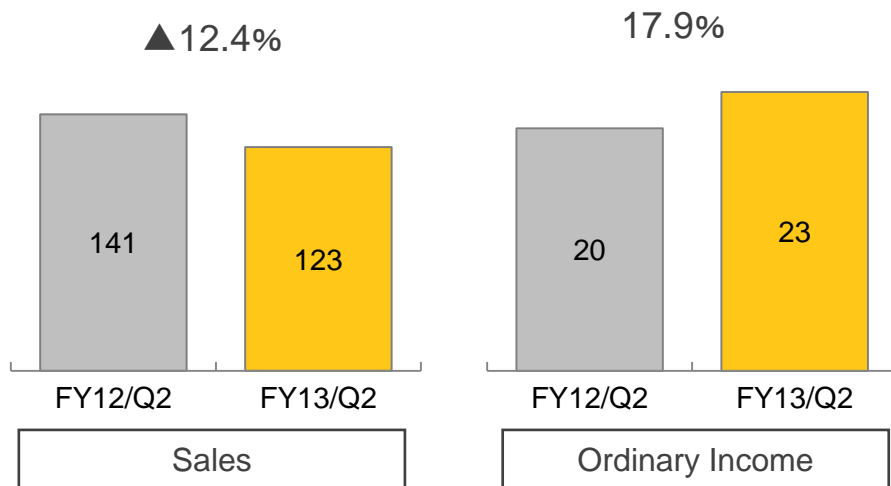


Daycare Services Medical and Nursing Support

Daycare Services and Medical and Nursing Support

Daycare Services

(million yen)

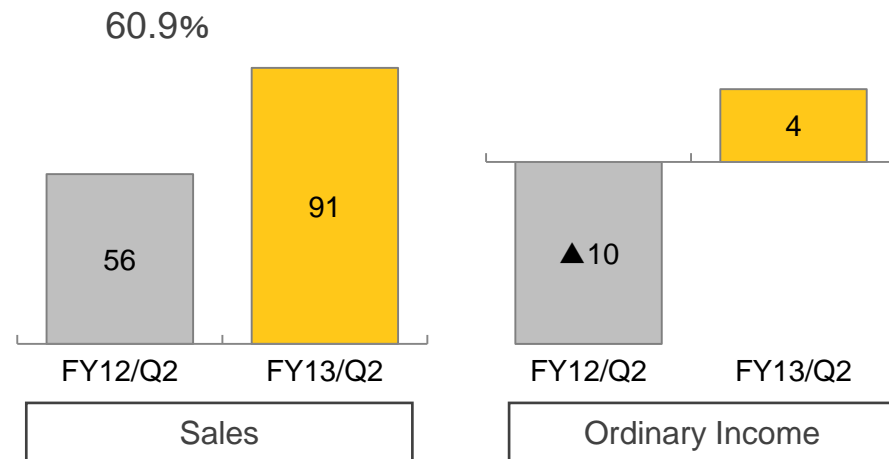


Operate 3 certified childcare centers

The ones certified by Tokyo are scheduled to open in Aug. 2013

Medical & Nursing Support

(million yen)



Operate 3 daycare service facilities

Steady growth

FY2013

2nd half (Apr.~Sept.)

Business Forecasts

Business Forecasts

Consolidated Business Forecasts

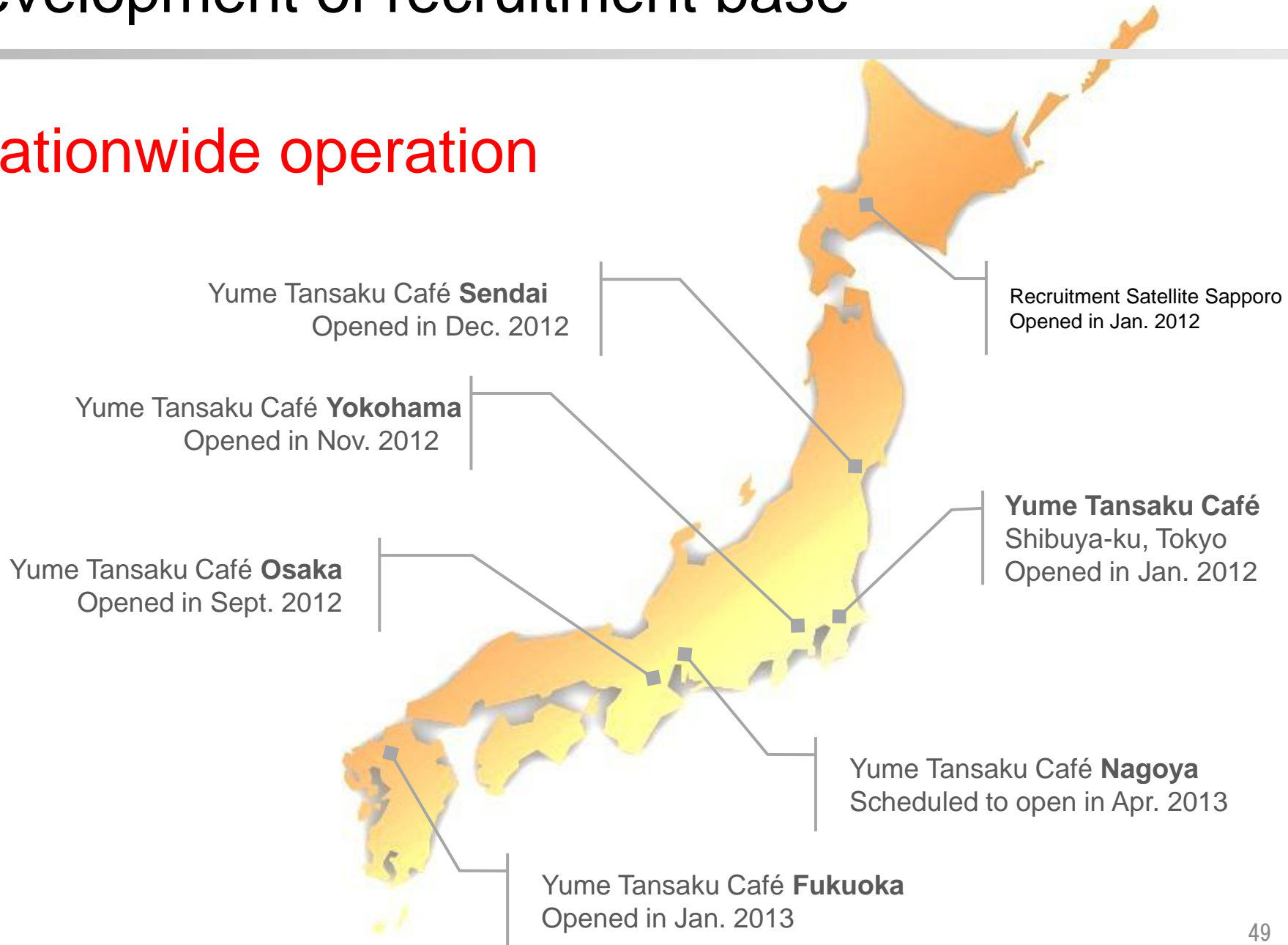
(million yen)

	2 nd quarter			Full-year		
	FY13 Forecast	FY13 Actual	Pct. Complete	FY13 Forecast	Progress rate	YoY
Sales	6,400	6,132	95.8%	13,500	45.4%	22.9%
Operating income	950	772	81.3%	2,100	36.8%	75.8%
Ordinary income	970	956	98.6%	2,200	43.5%	69.8%
Net income	550	583	106.0%	1,300	44.9%	76.0%

※ () = Percentage of sales

Development of recruitment base

Nationwide operation



Recruiting plan for the 2nd half of the year

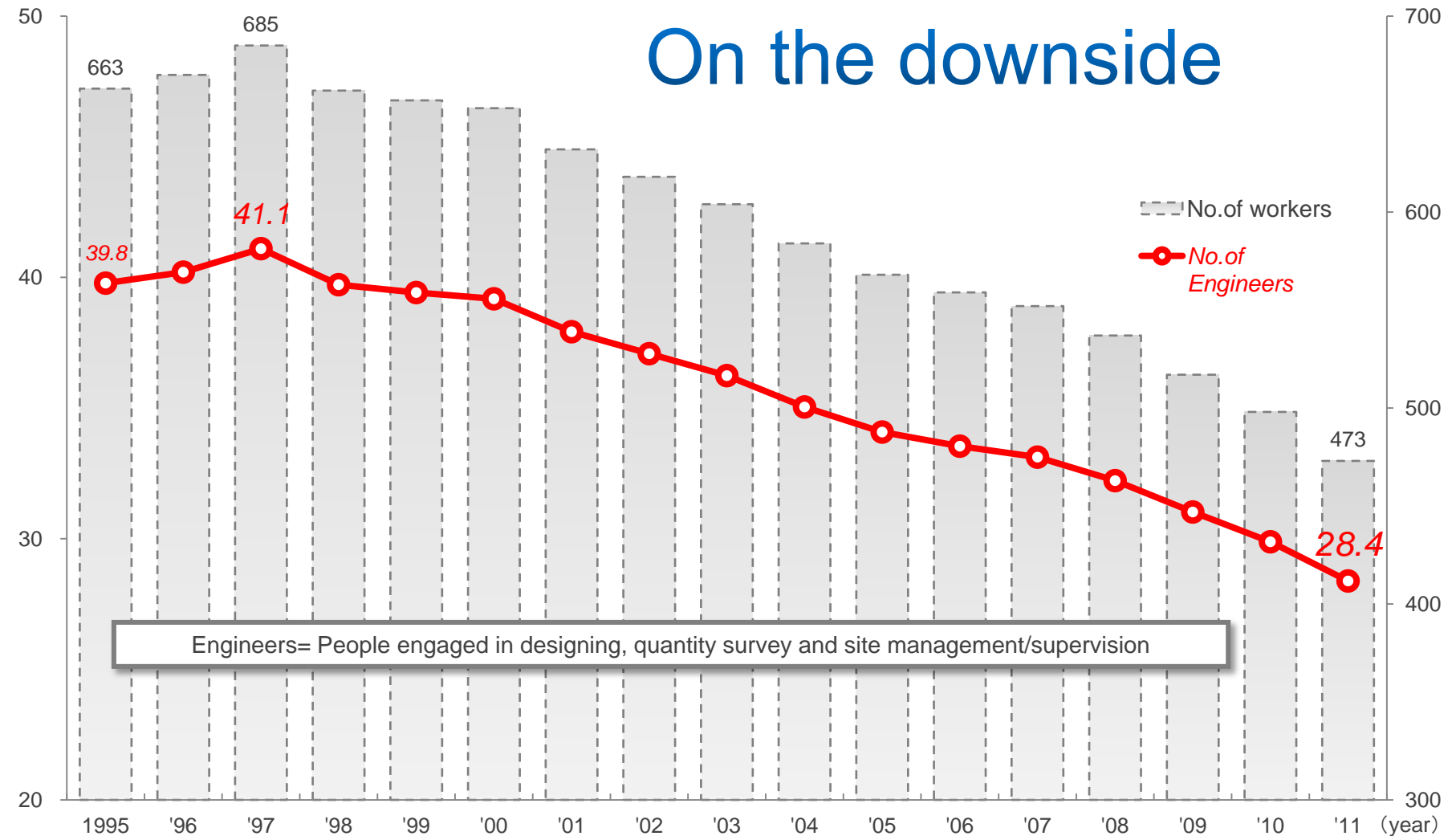
To Recruit 1,200 persons per year

	Oct.~Mar. Total	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Apr.~Sep. Total
Plan(A)	—	155	155	155	155	125	125	870
<i>New recruits</i>	—	100	100	100	100	50	50	500
<i>Mid-career recruiting</i>	—	55	55	55	55	75	75	370
Actual(B)	359	242						
Difference(B-A)	—	+87						

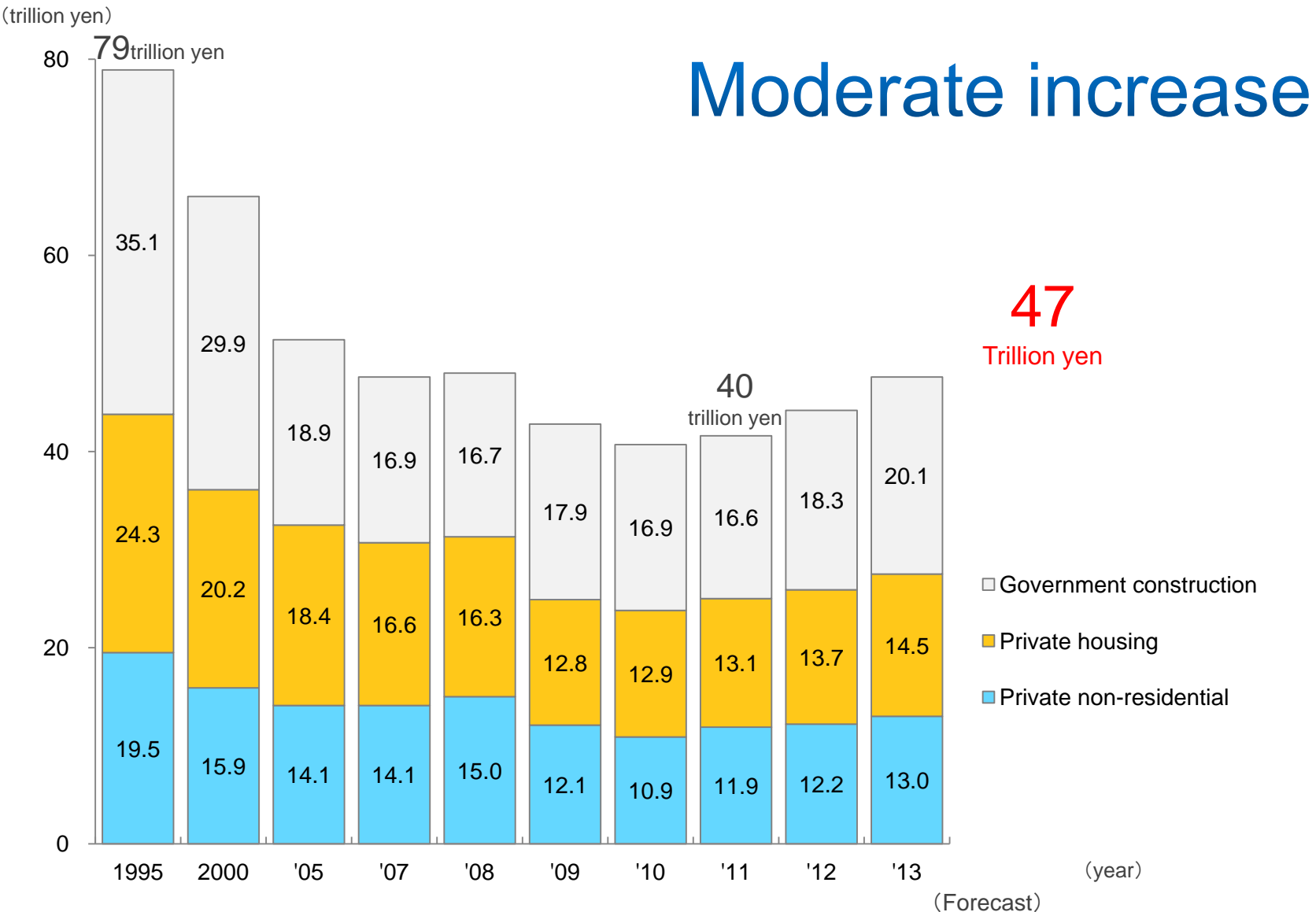
Medium-term Management Plan

External environment (1) No. of Construction Workers

(10 thousand persons)

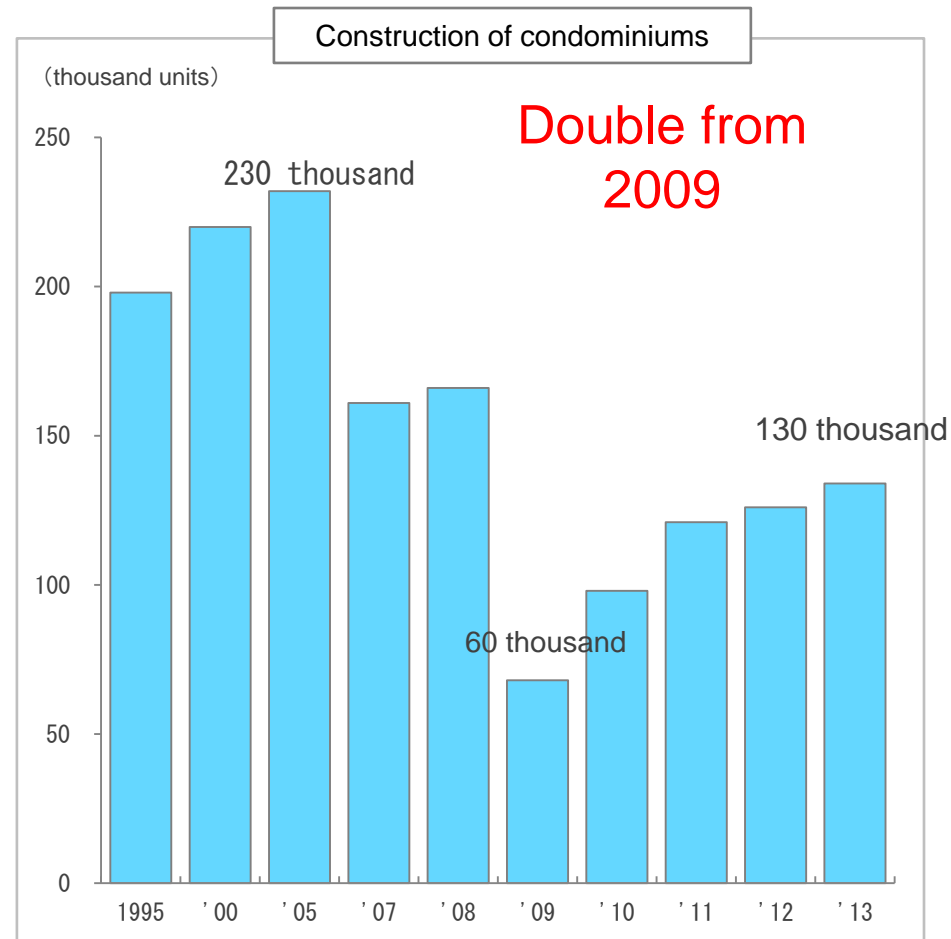


External environment (2) Construction Investment



External environment (3) Housing Starts

Bottomed out in 2009 and recovered



Summary of External Environment

Urgent need to employ and develop human resources of the next generation

Engineer shortage will become even more serious

Decrease in the number of workers

Decrease of about 1.35 million people in 10 years
(Engineers decreased by about 80 thousand)

Aging workers

One in three are over 55 years old
About 1.5 million people are likely to retire within 10 years
(About 90 thousand engineers)

Recovery of construction demand

Increase in construction investments since 2010
Both construction of houses and non-residential buildings increased since 2009
Reconstruction works in Tohoku surfaced

Revision of Recruit Plan

New

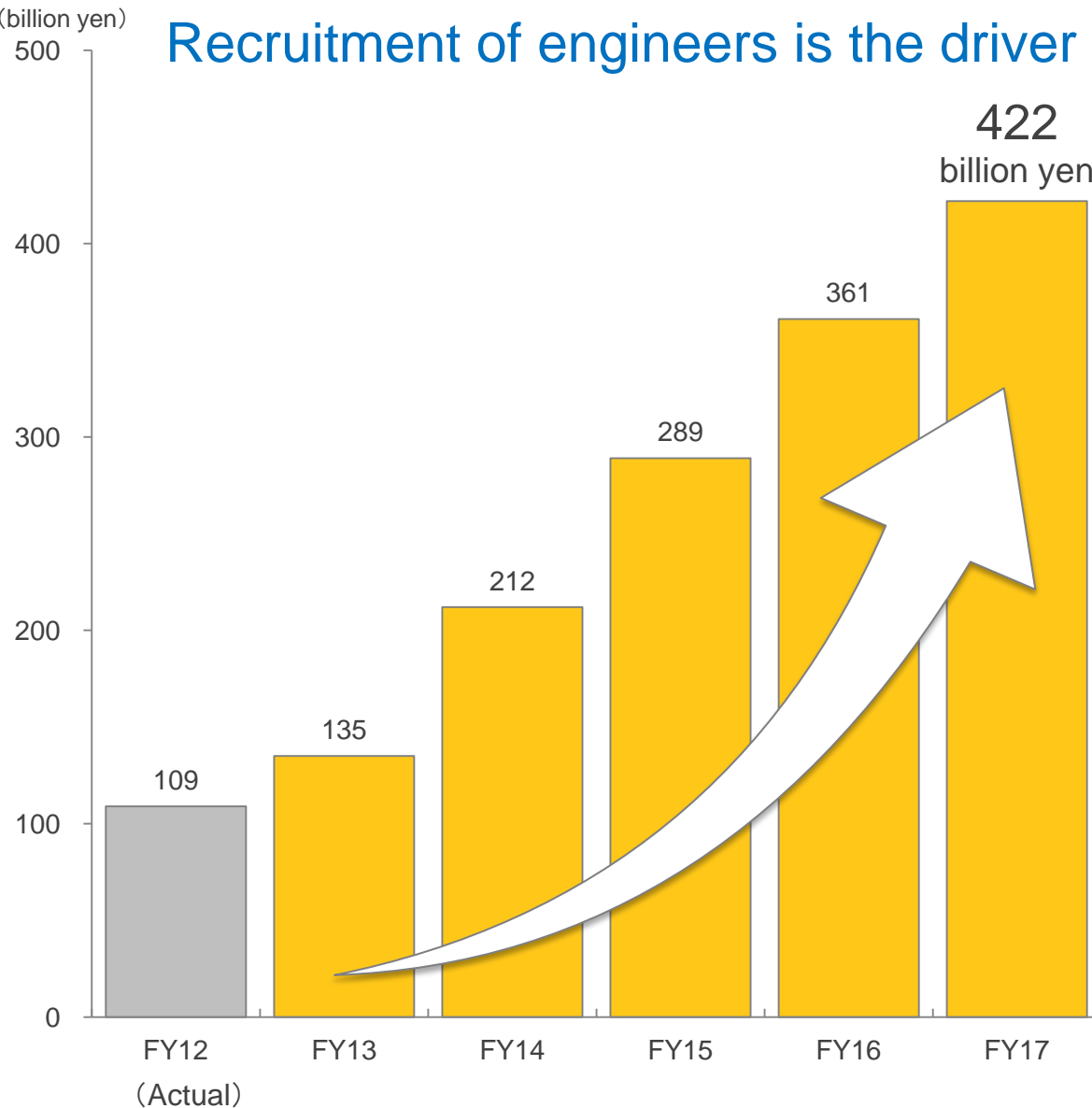
More than **1,200** persons for 5
consecutive years

Old

More than
800 persons for 5
consecutive years

Medium-term Management Plan (1) Sales

Recruitment of engineers is the driver of growth



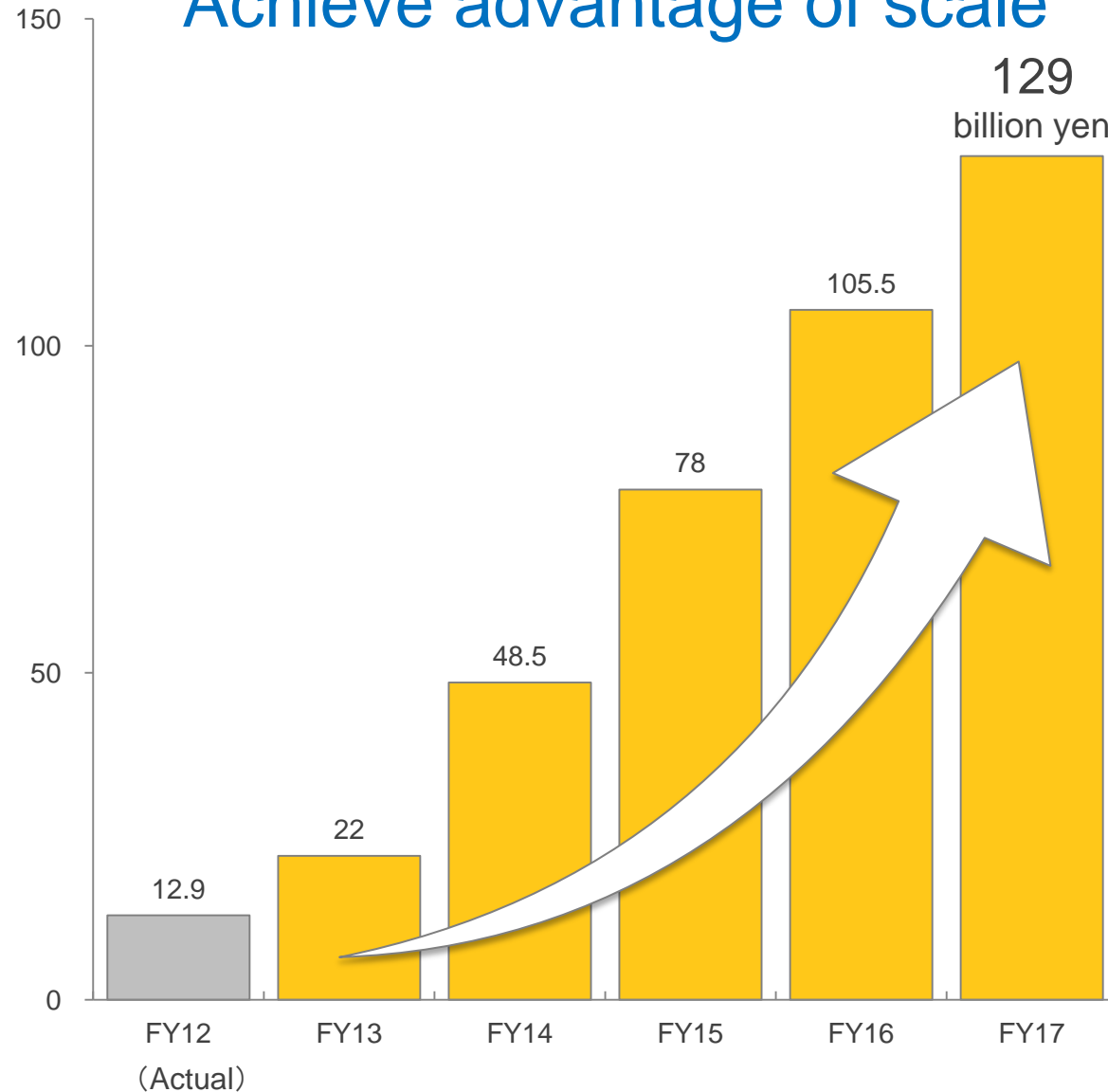
After 5 years...

4 times

Medium-term Management Plan (2) Ordinary Income

(billion yen)

Achieve advantage of scale



After 5 years...

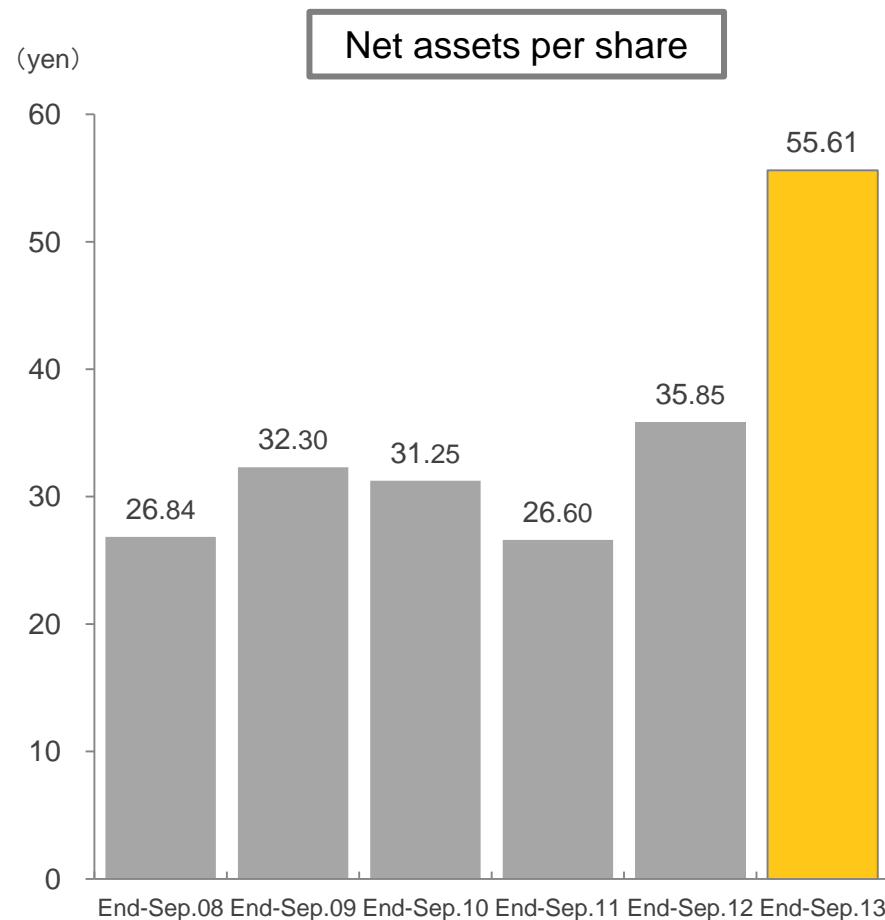
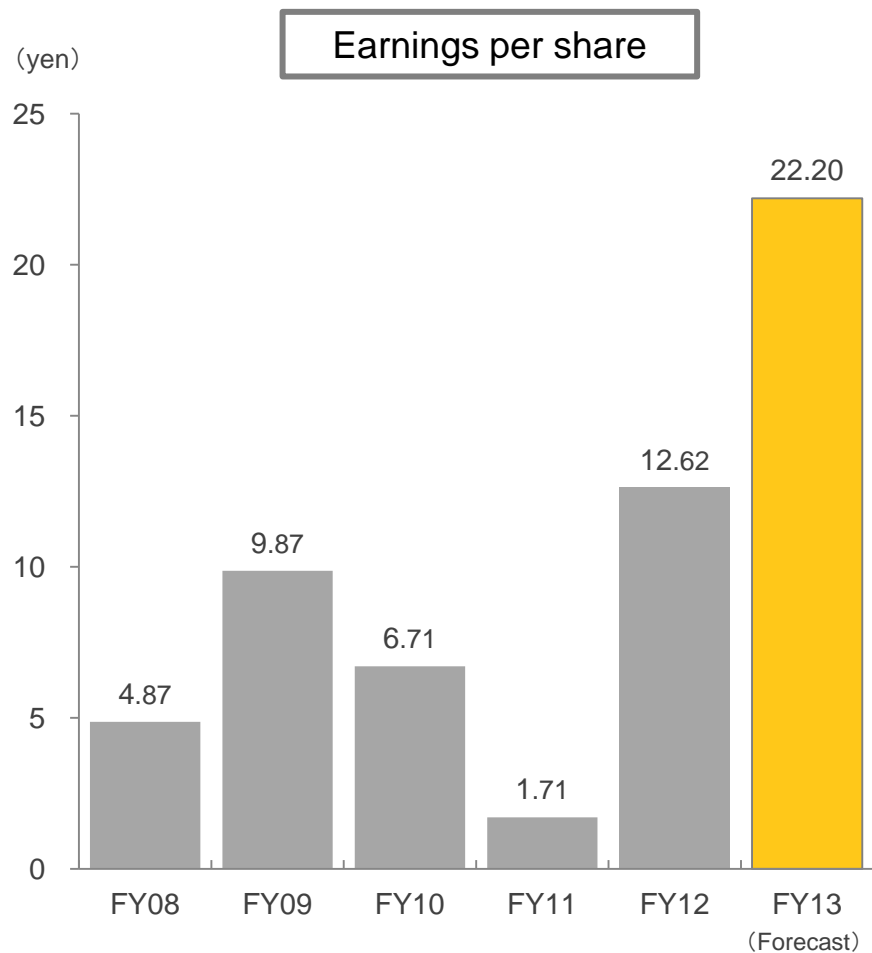
exceeds **100**
billion

Shareholder Return

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Shareholder Return (1) Earnings Per Share/Net Assets

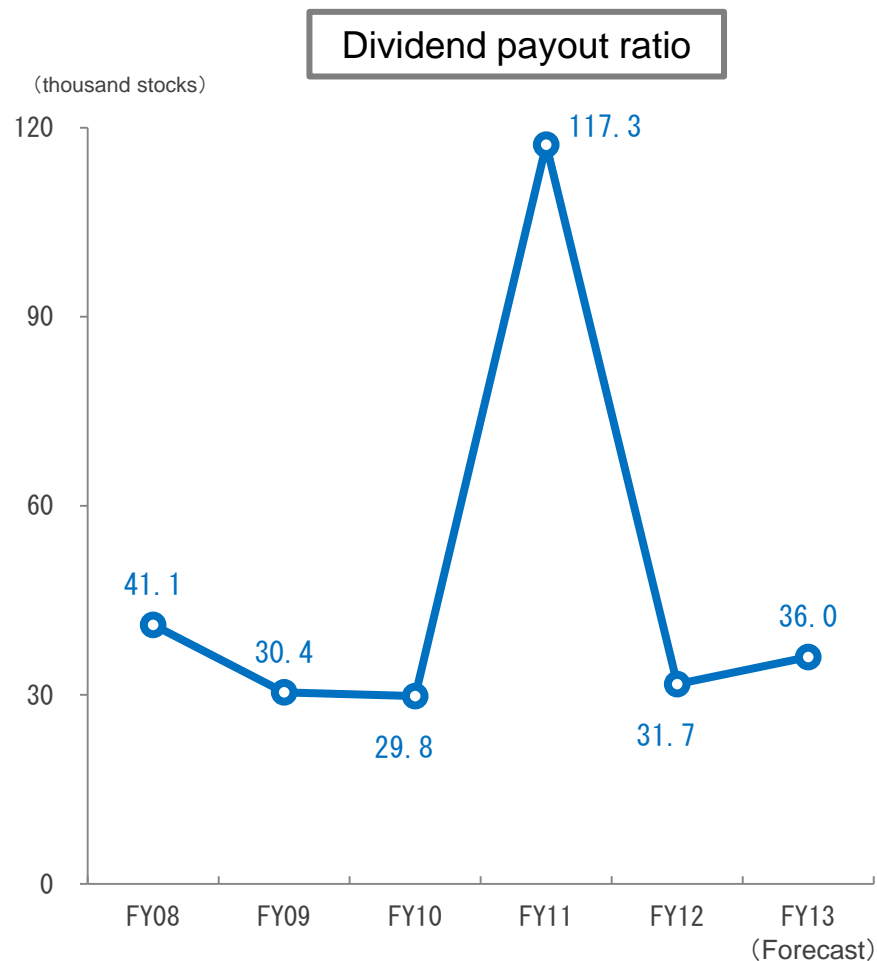
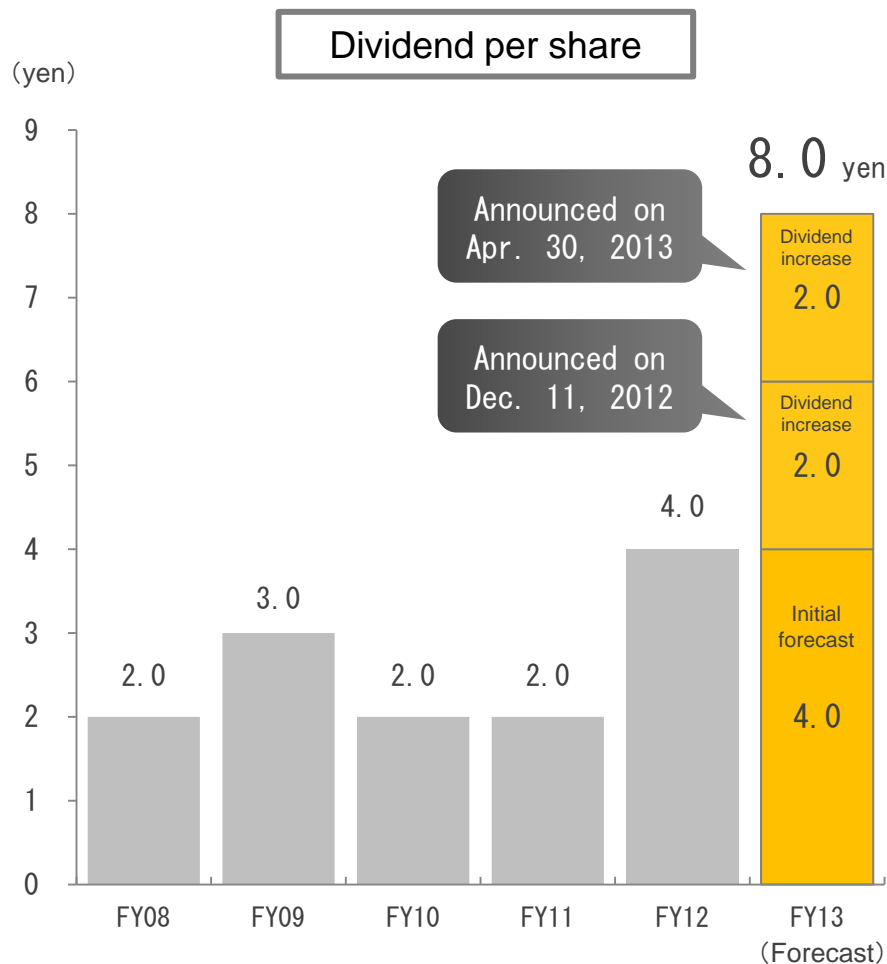
Both net income and net assets to growth phase



- ※ 1. $EPS = \text{Net income} \div (\text{Shares outstanding} - \text{Treasury stock}) \times 100$
2. $EPS = \text{Shareholders' equity} \div (\text{Shares outstanding} - \text{Treasury stock at end of year}) \times 100$
3. $\text{Shareholders' equity} = \text{Net assets} - \text{Minority interest} - \text{Share warrant}$

Shareholder Return (2) Dividends per Share

Performance-linked profit allocation and dividend increase every year



※ Ratio of treasury stock owned is calculated based on 74,573,440 shares

References

REFERENCES

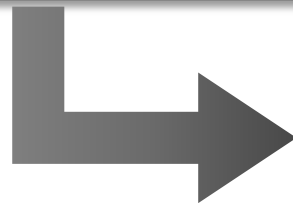
Financing by Exercising Treasury Stock

Allocate treasury stock according to rise in stock price

	Forth series	Fifth series	Sixth series
Exercise price	500yen	750yen	1,000yen
No. of dilutive shares	250 (ten thousand stocks)	250 (ten thousand stocks)	250 (ten thousand stocks)

Amount
of
funds

56 billion



1. Repayment of debt
2. Operating funds

Everybody's dreams come true
by meeting people

Disclaimer

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