



YUMESHIN HOLDINGS CO.,LTD.

Financial Results

For the Fiscal Year Ended
September 30, 2013

FY September.2013
Securities code

2362

CONTENTS

Consolidated Financial Overview ... **P4**

**Construction Technician
Temporary Staffing** ... **P26**

Shareholder Return ... **P37**

Reference ... **P41**

TOPIC

- 1 . Record profits for 2 consecutive years**
- 2 . Over 1,700 engineers**
- 3 . Dividend up 5 times YoY**

CONTENTS

Consolidated Financial Overview ... **P4**

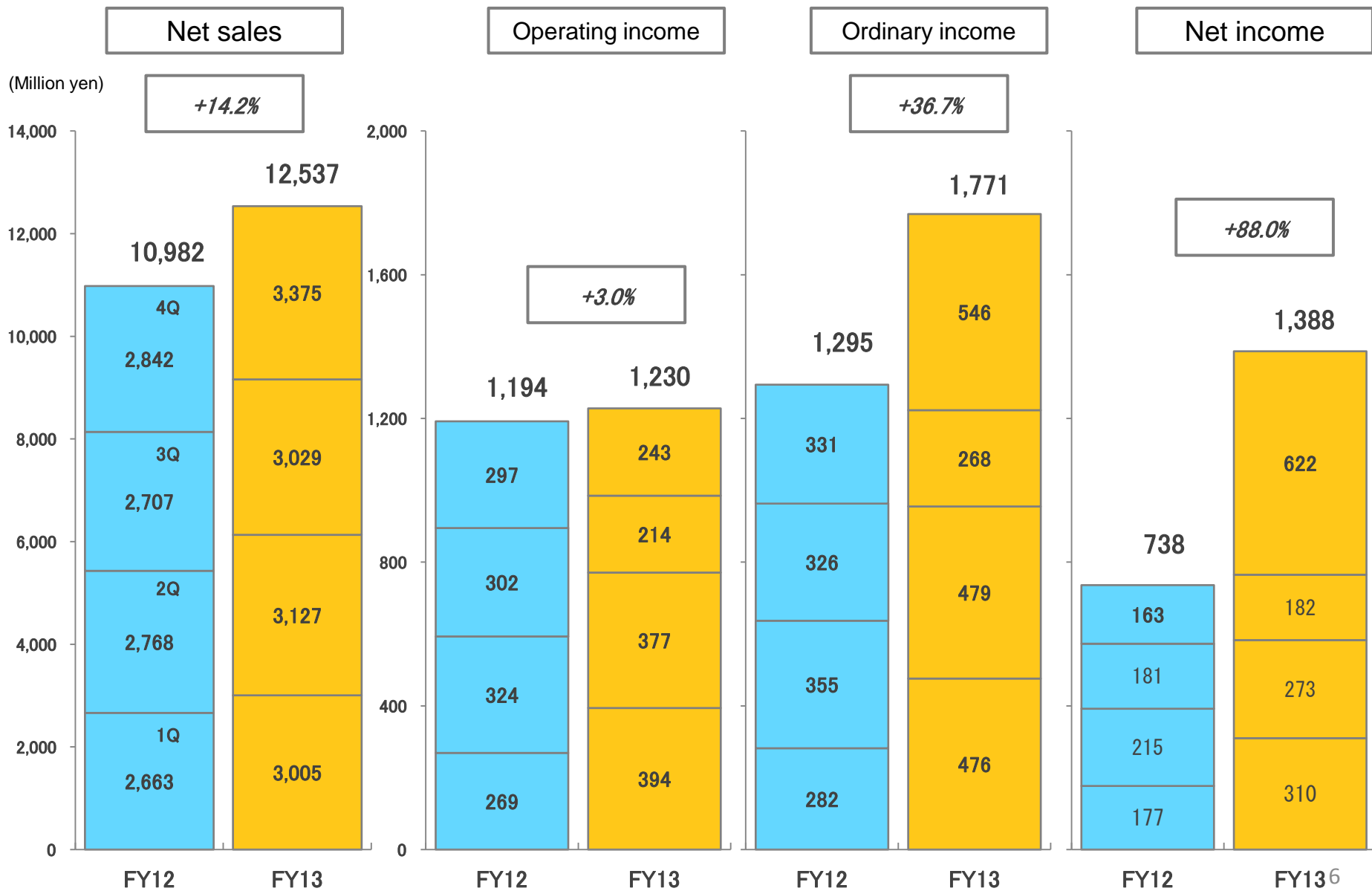
**Construction Technician
Temporary Staffing** ... **P26**

Shareholder Return ... **P37**

Reference ... **P41**

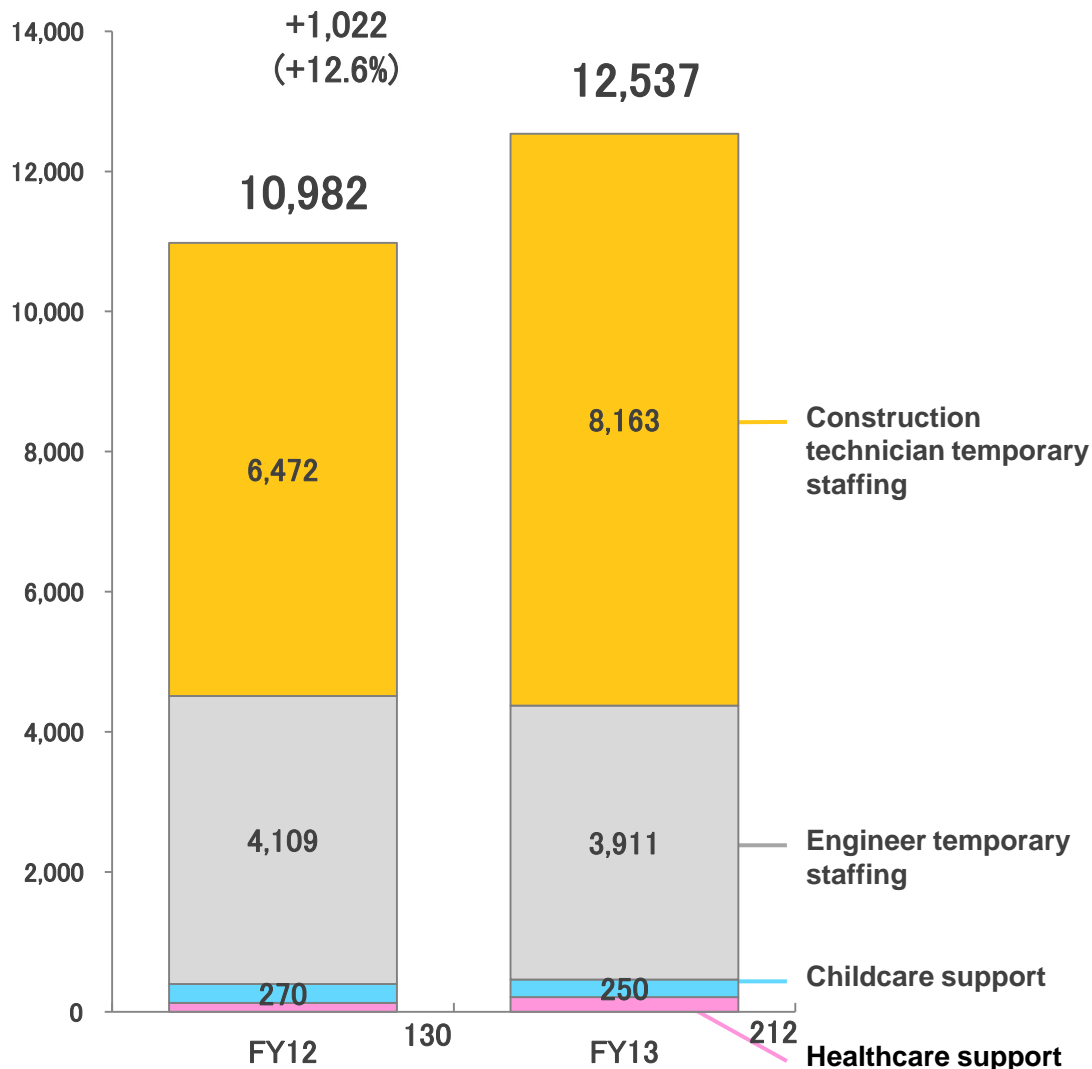
Consolidated P/L Statement

Consolidated P/L Statement



Consolidated P/L Statement (1) Net Sales

(Million yen)



【Major factors for increase/decrease】

Construction technician temporary staffing **+1,691million**

• Sales increase due to increased engineers

Engineer temporary staffing **-197million**

• Sales decrease due to decreased engineers

Childcare support **-20million**

• Sales decrease due to decrease in the number of nursery staff provided

Healthcare support **+82million**

• Sales increase due to increase in facility users

Consolidated P/L Statement (2)

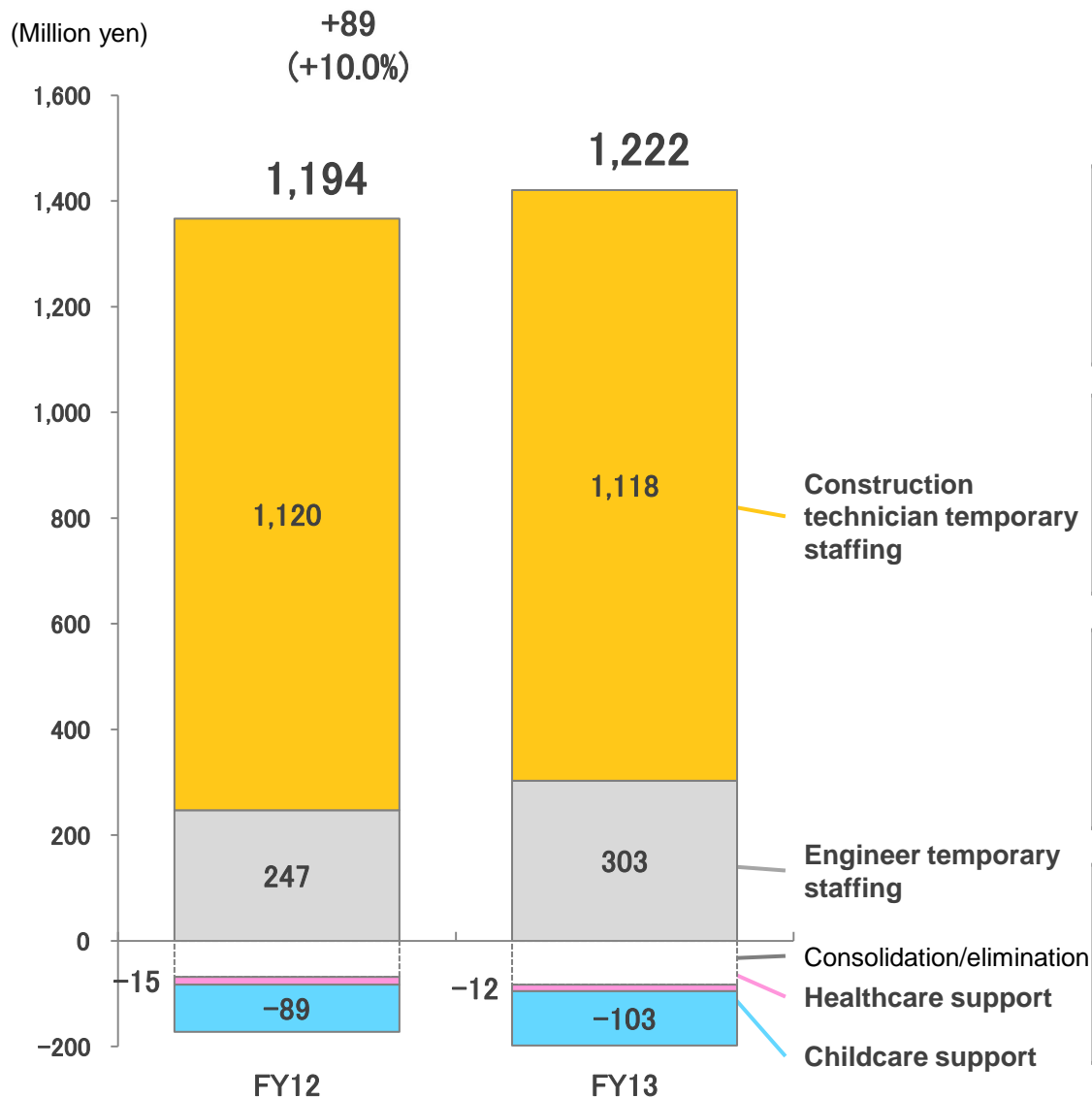
Selling, General and Administrative Expenses

(Million yen)

	FY2012	FY2013	Change	Remarks
Cost of sales	7,823	9,087	1,264	Increased due to increase in engineers
Gross profit	3,158	3,449	291	
Gross profit margin	28.8%	27.5%	▲ 1.3pt.	Decreased due to increased new recruits
SG&A expenses	1,963	2,219	255	
Executive compensation	115	108	▲ 6	
Personnel expenses	1,064	1,201	136	Increased due to increase in sales staff
Ad expenses	14	28	14	
Recruiting cost	86	167	81	Increased for hiring 1,200 people
Outsourcing expenses	207	205	▲ 1	
Provision of allowance for doubtful accounts	32	16	▲ 15	
Amortization of goodwill	92	83	▲ 9	
SG&A expense ratio	17.9%	17.7	▲ 0.2pt.	

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

Consolidated P/L Statement (3) Operating Income



【Major factors for increase/decrease】

Construction technician temporary staffing **-1million**

• Decrease in income due to increased personnel expenses and recruiting cost

Engineer temporary staffing **+55million**

• Increase in income due to improvement in operating rate

Childcare support **-14million**

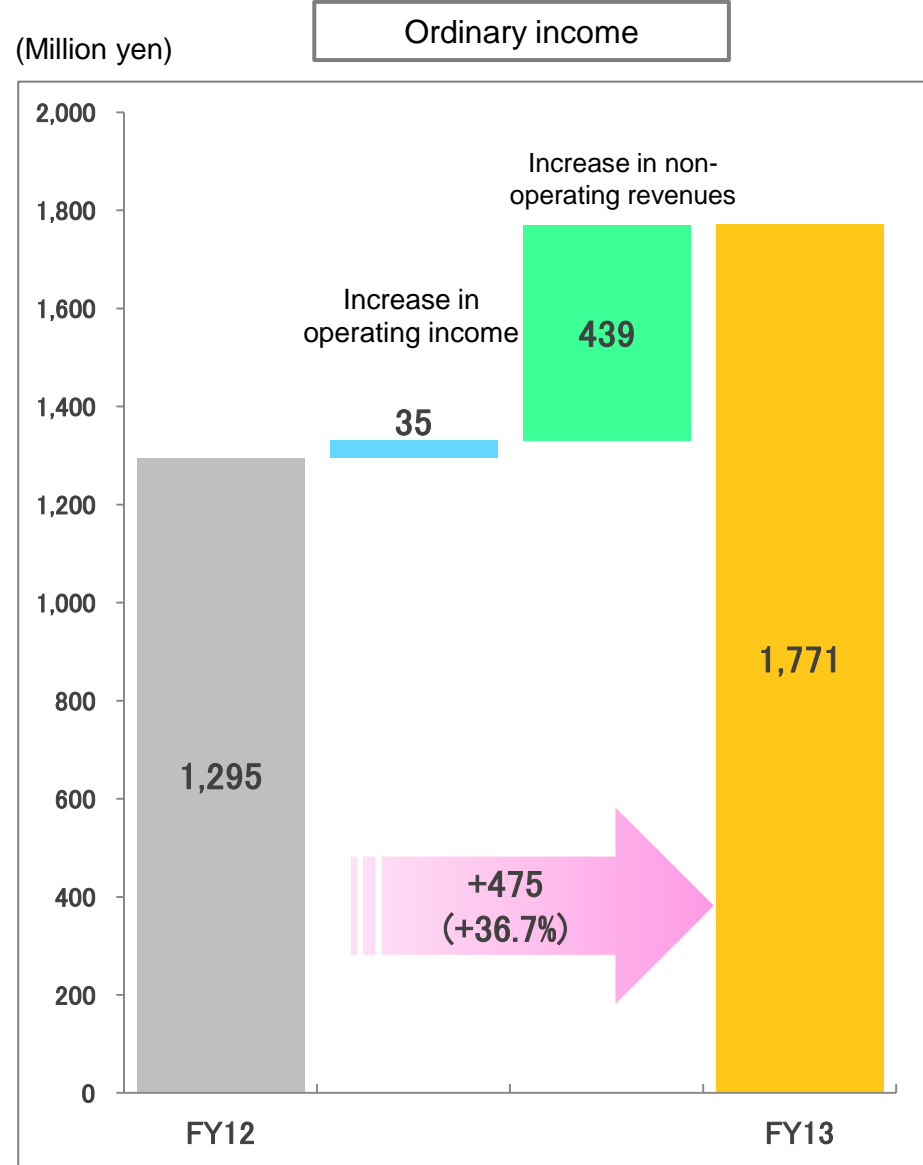
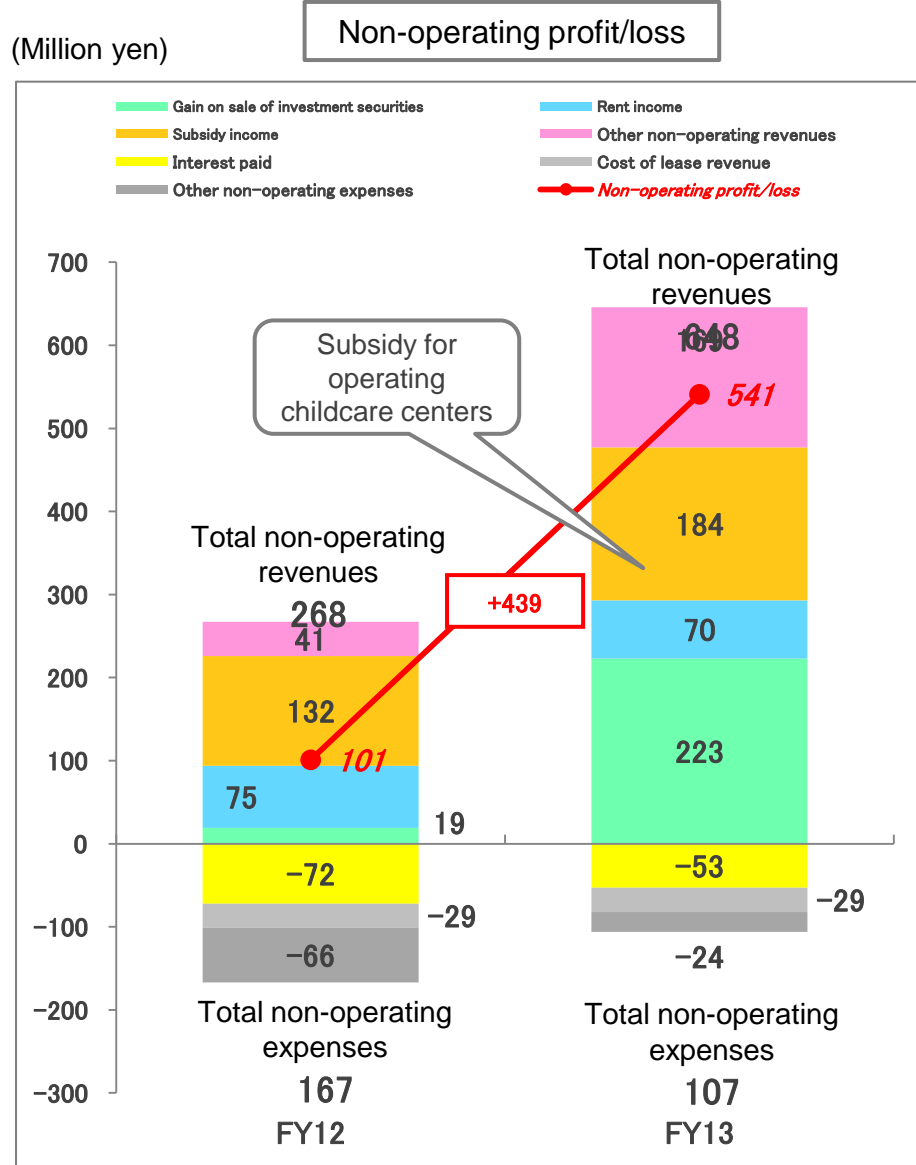
• Sales decrease due to decrease in the number of nursery staff provided

Healthcare support **+2million**

• Sales increase due to increase in facility users

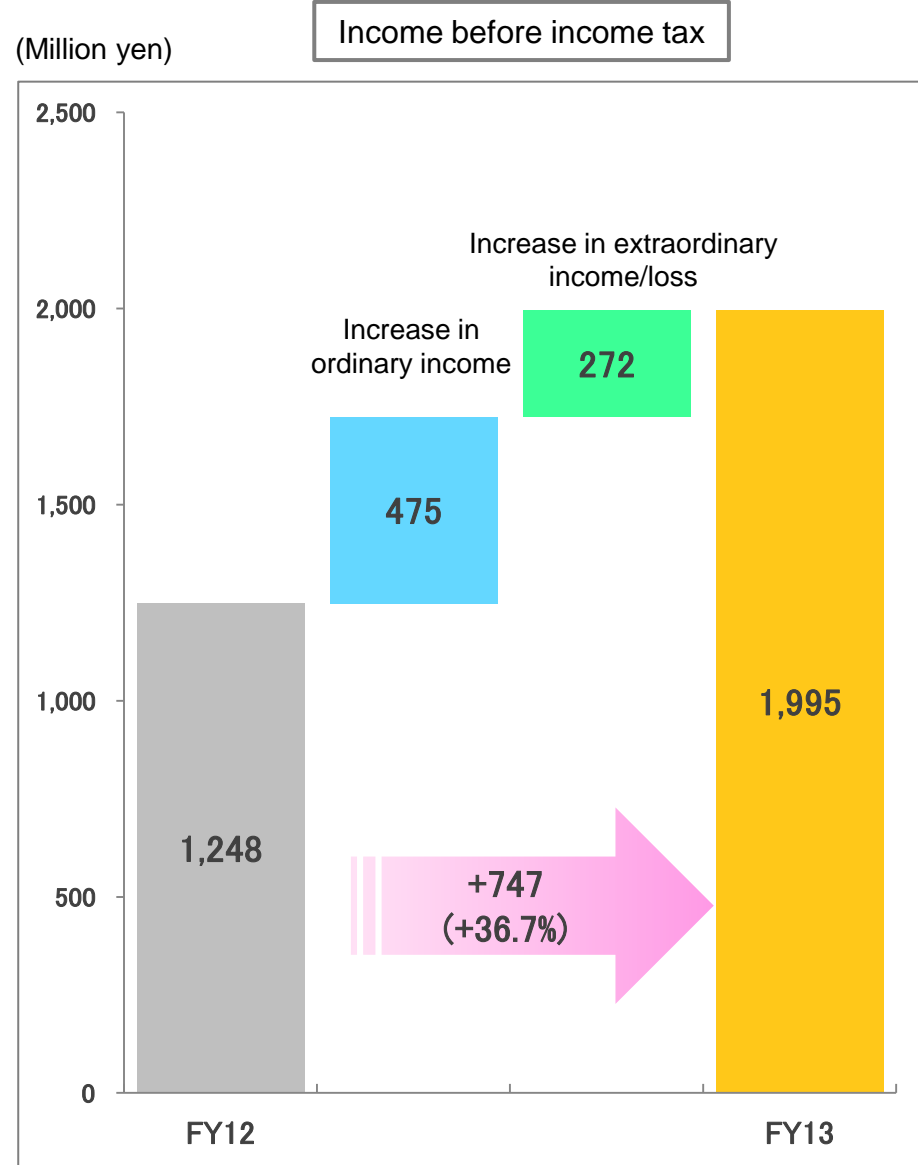
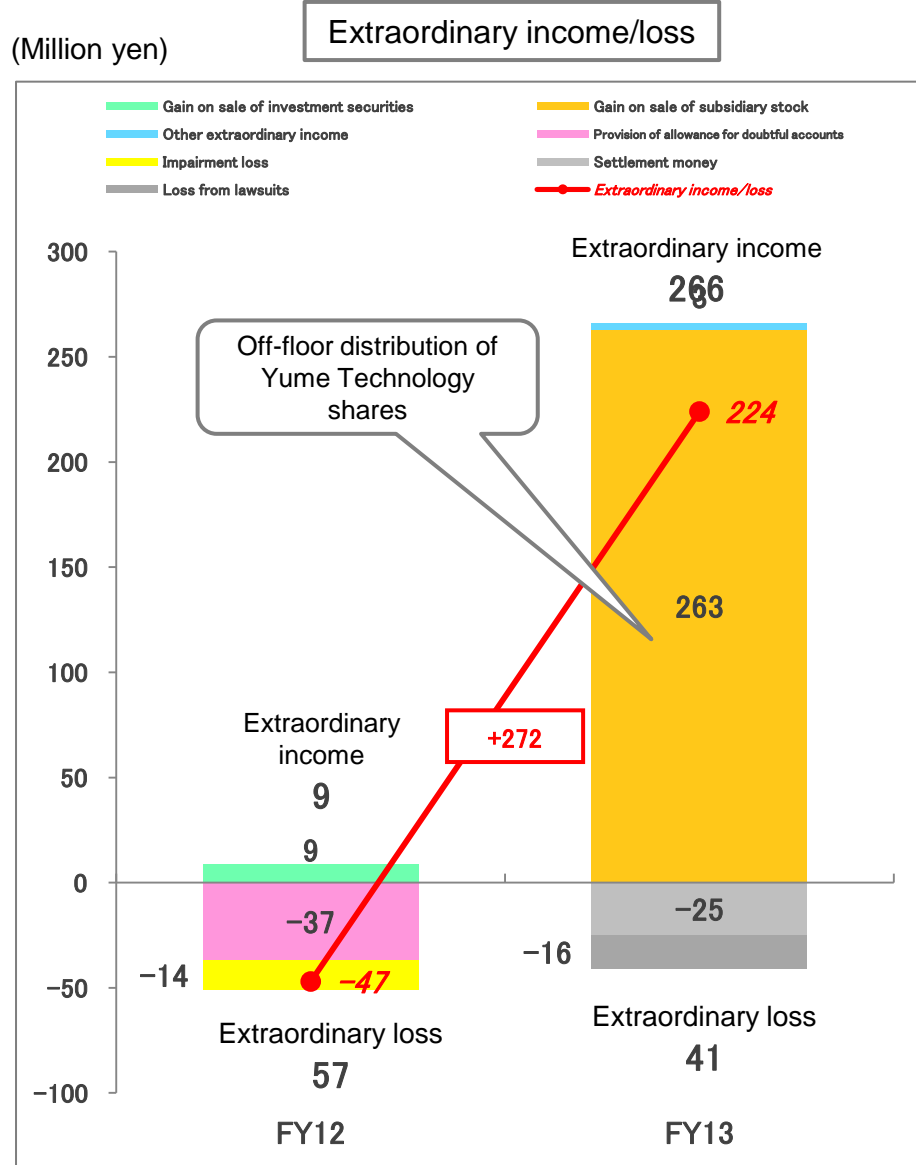
Consolidated P/L Statement (4)

Non-operating Profit/Loss and Ordinary Income

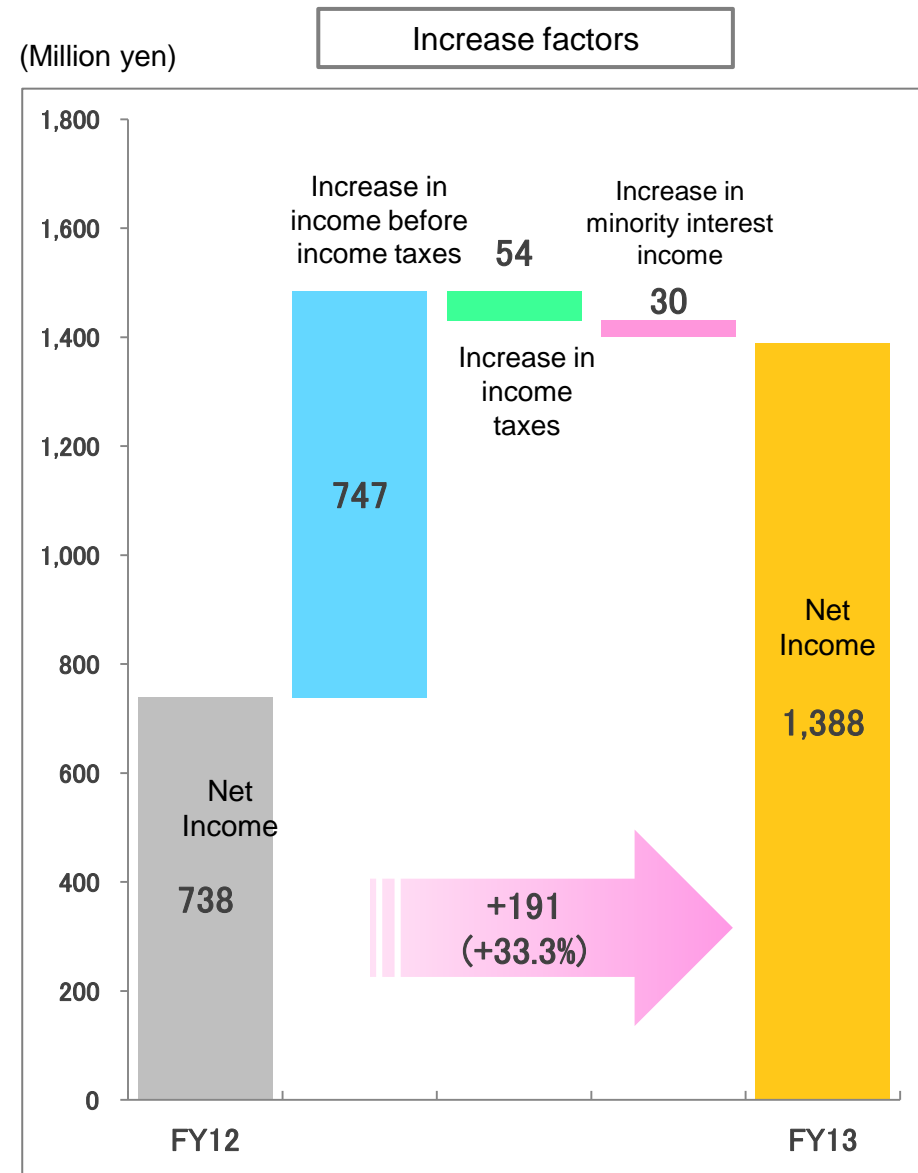
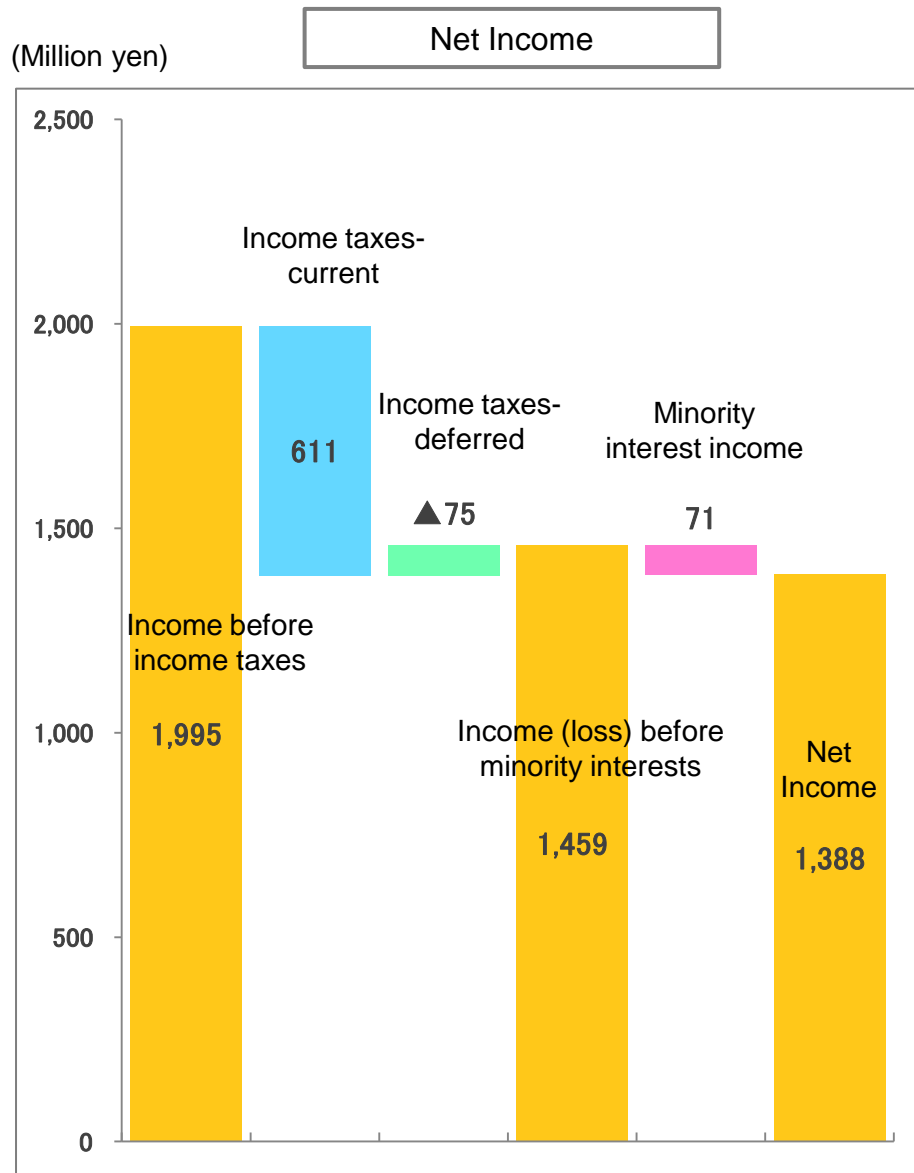


Consolidated P/L Statement (5)

Extraordinary Income/Loss and Income Before Income Tax



Consolidated P/L Statement (5) Net Income



Summary of Consolidated P/L Statement

(Million yen)

	FY2012	FY2013	Change	Pct. change
Net sales	10,982	12,537	1,555	14.2%
Gross profit	<i>3,158</i> <i>(28.8%)</i>	<i>3,449</i> <i>(27.5%)</i>	291	9.2%
SG&A expenses	<i>1,963</i> <i>(17.9%)</i>	<i>2,219</i> <i>(17.7%)</i>	255	13.0%
Operating income	1,194 (10.9%)	1,230 (9.8%)	35	3.0%
Ordinary income	1,295 (11.8%)	1,771 (14.1%)	475	36.7%
Net income	738 (6.7%)	1,388 (11.1%)	649	88.0%

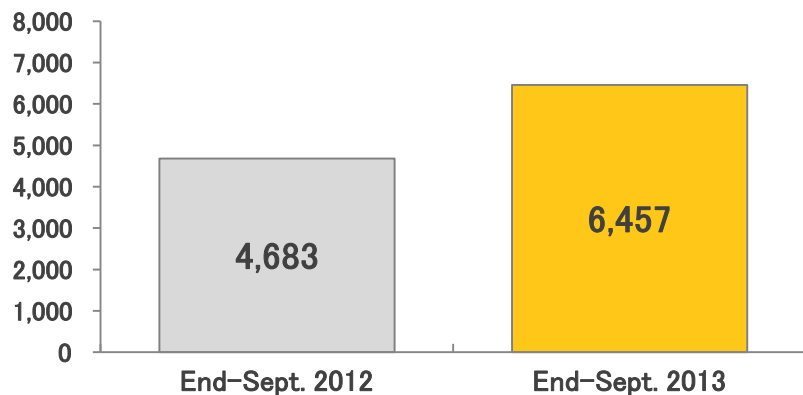
*() = Percentage of sales

Consolidated B/S

Consolidated B/S

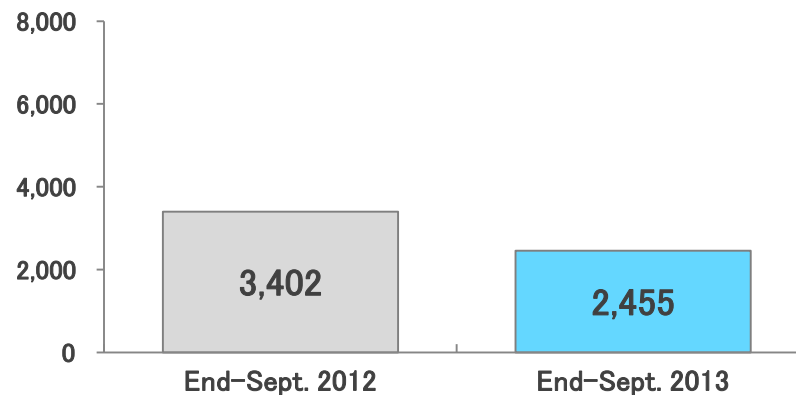
Current assets

(Million yen)



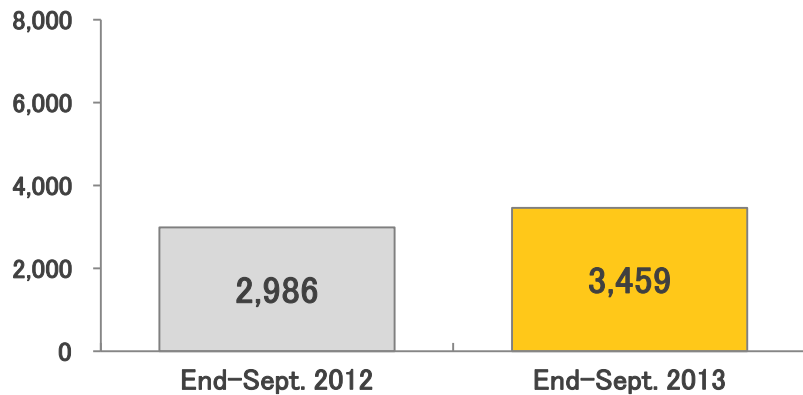
Current liabilities

(Million yen)



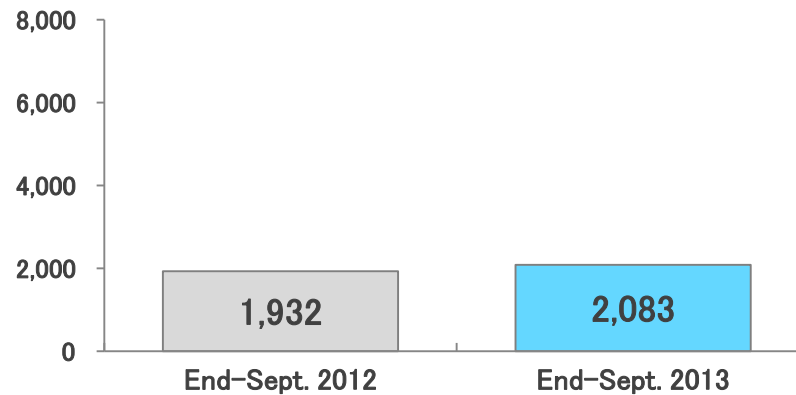
Fixed assets

(Million yen)



Fixed liabilities

(Million yen)



Consolidated B/S (1) Assets

(Million yen)

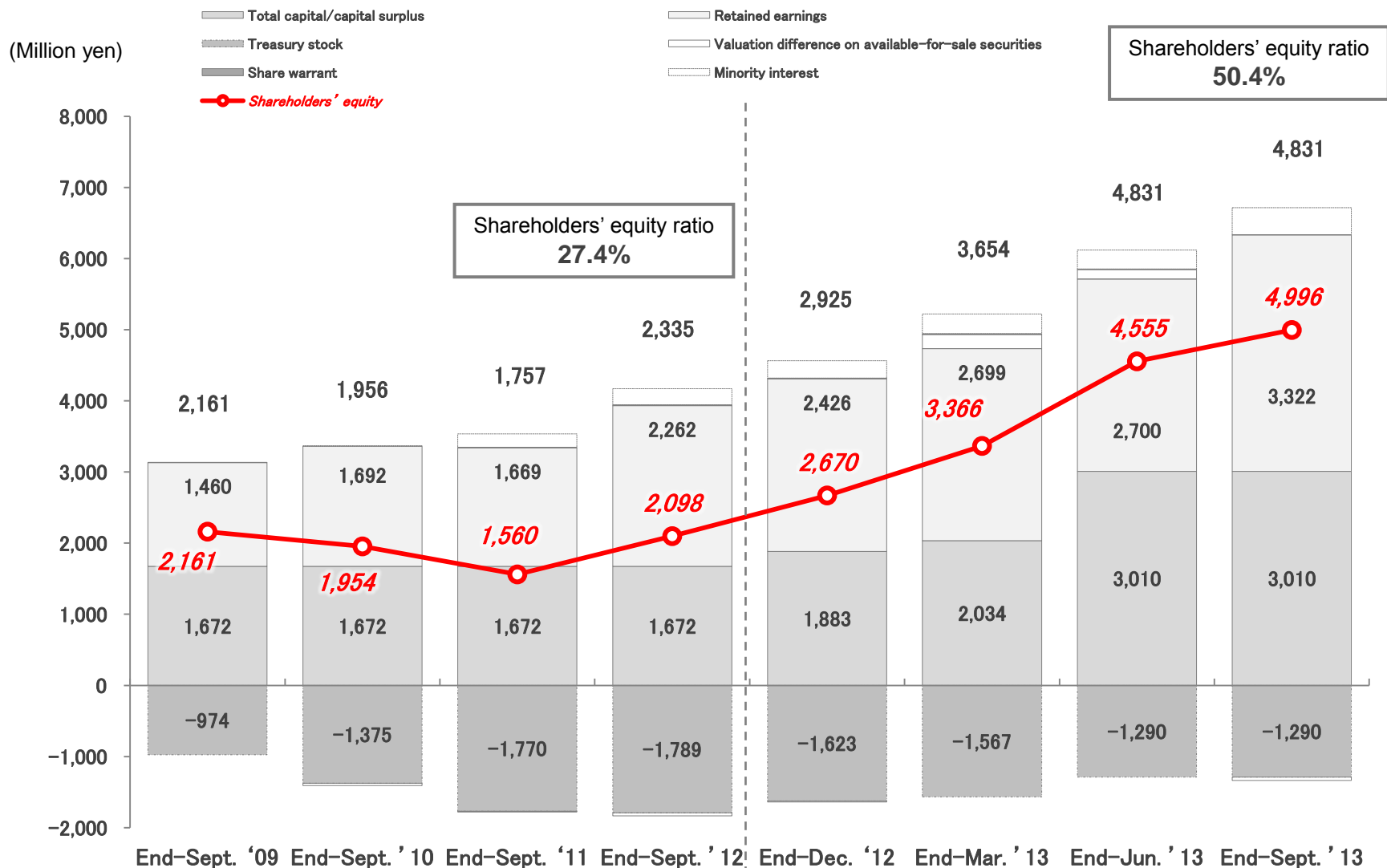
	End-Sept. 2012	End-Sept. 2013	Change	Remarks
Assets	7,669	9,916	2,246	
Current assets	4,683	6,457	1,773	
Cash and deposits	2,557	4,245	1,687	Increased due to operating activities
Notes and accounts receivable-trade	1,626	1,860	233	
Securities	7	16	9	
Deferred tax assets	63	145	81	
Other	513	211	▲301	
Allowance for doubtful accounts	▲84	▲22	62	
Fixed assets	2,986	3,459	473	
Tangible fixed assets	1,412	1,456	53	
Buildings and structures	738	823	84	
Land	577	577	0	
Lease asset	46	46	▲0.2	
Other	49	18	▲31	
Intangible fixed assets	666	552	▲113	
Goodwill	628	515	▲112	Decreased due to regular amortization
Other	37	37	▲0.6	
Investments and other assets	907	1,441	533	
Investment securities	688	1,166	477	Increased due to net investment
Long-term debt	48	87	39	
Other	257	229	▲27	
Allowance for doubtful accounts	▲86	▲42	43	

Consolidated B/S (2) Liabilities and Net Assets

(Million yen)

	End-Sept. 2012	End-Sept. 2013	Change	Remarks
Liabilities	5,334	4,538	▲795	
Current liabilities	3,402	2,455	▲946	
Account payable-trade	14	9	▲4	
Short-term debt	975	0	▲975	
Current portion of long-term debt	850	839	▲11	
Income taxes payable	442	377	▲64	
Accrued expenses	550	642	91	
Other	568	585	17	
Fixed liabilities	1,932	2,083	151	
Long-term debt	1,509	1,648	139	Working capital
Lease obligations	44	41	▲2	
Reserve for employees' retirement benefits	254	270	15	
Other	123	122	▲0.6	
Net assets	2,335	5,378	2,496	
Shareholders' equity	2,144	5,042	2,275	
Capital	805	805	0	
Capital surplus	867	2,204	1,337	Increased due to disposal of treasury stock
Retained earnings	2,262	3,322	1,060	Increased due to net income
Treasury stock	▲1,789	▲1,290	499	Increased due to third-party allotment
Accumulated other comprehensive income	▲46	▲45	0.3	
Unrealized gain (loss) on available-for-sale securities	▲46	▲45	0.3	
Share warrant	10	5	▲4	
Minority interest	226	376	149	

Consolidated B/S (3) Shareholders' Equity



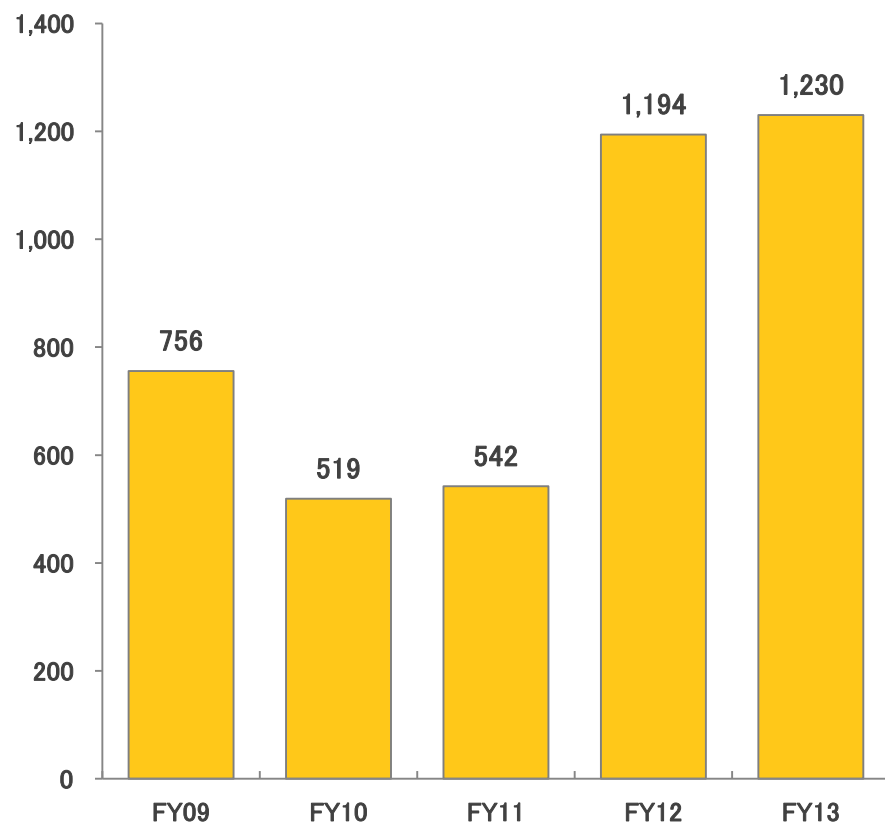
*Shareholders' equity = Net assets - Minority interest - Share warrant

Financial Index

Financial Index (1) Consolidated Operating Income

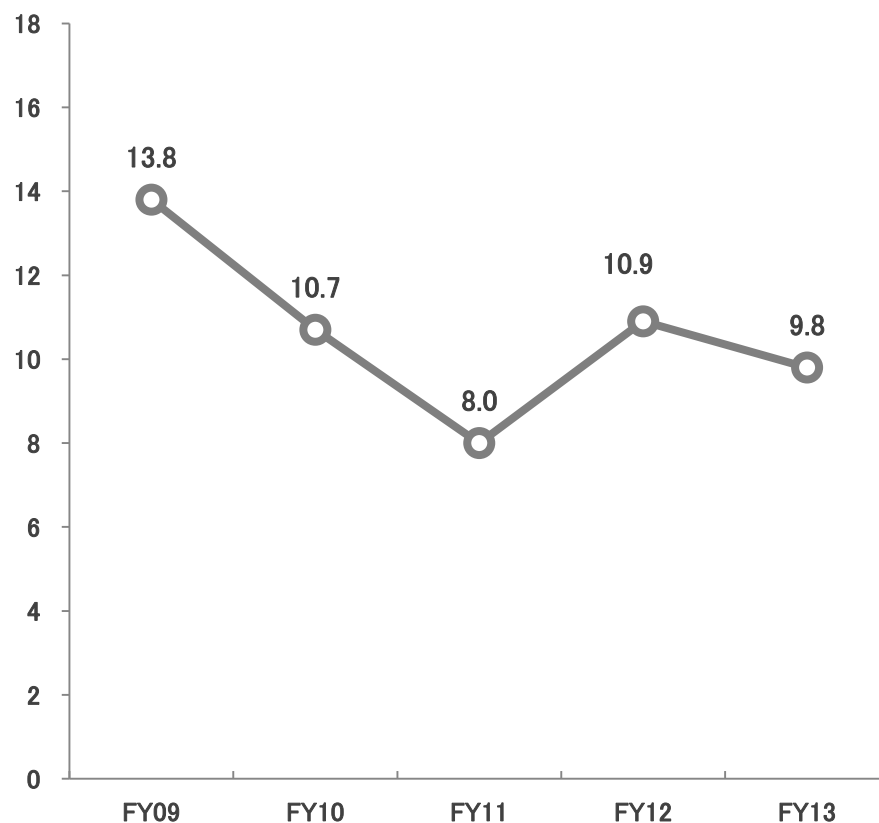
Operating income

(Million yen)



Operating margin

(%)



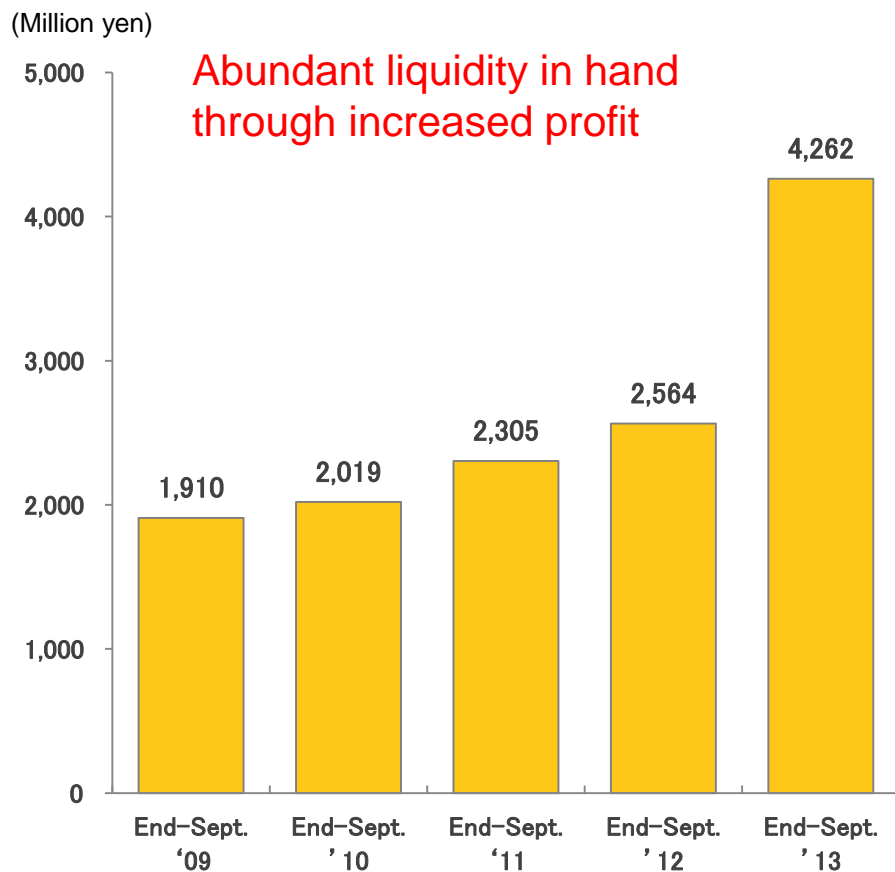
*1. Operating margin = Operating income ÷ Net sales

2. Operating margins of other companies are prepared by Yumeshin based on each company's disclosure materials

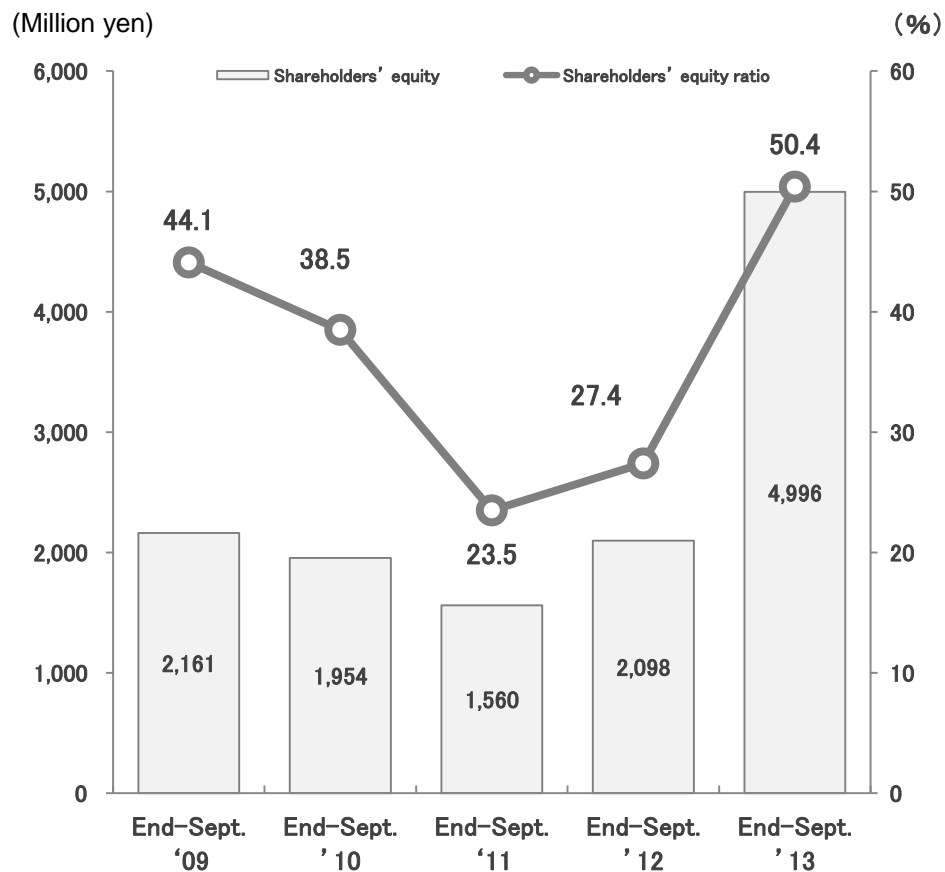
Financial Index (2)

Liquidity in Hand and Shareholders' Equity

Liquidity in hand



Shareholders' equity ratio



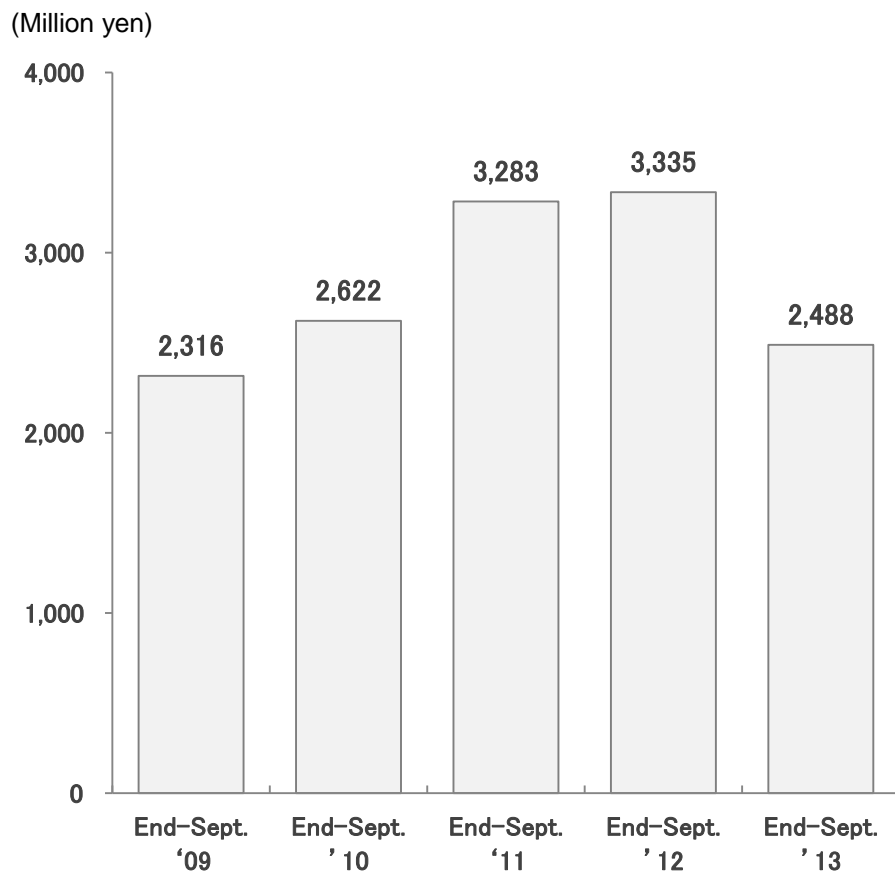
*1. Liquidity in hand = Cash and deposits+ Securities included in current assets

*2. Shareholders' equity = Net assets - Minority interest - Share warrant

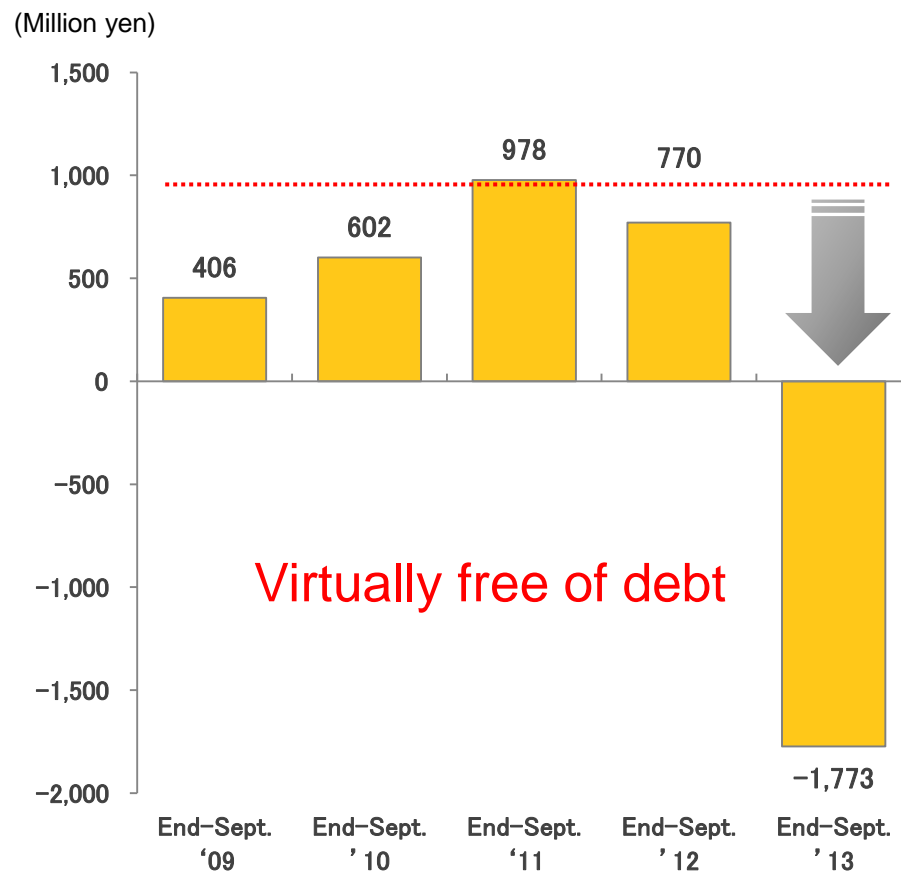
*3. Shareholders' equity ratio = Shareholders' equity ÷ Total assets

Financial Index (3) Interest-bearing Debt

Interest-bearing debt



Net interest-bearing debt



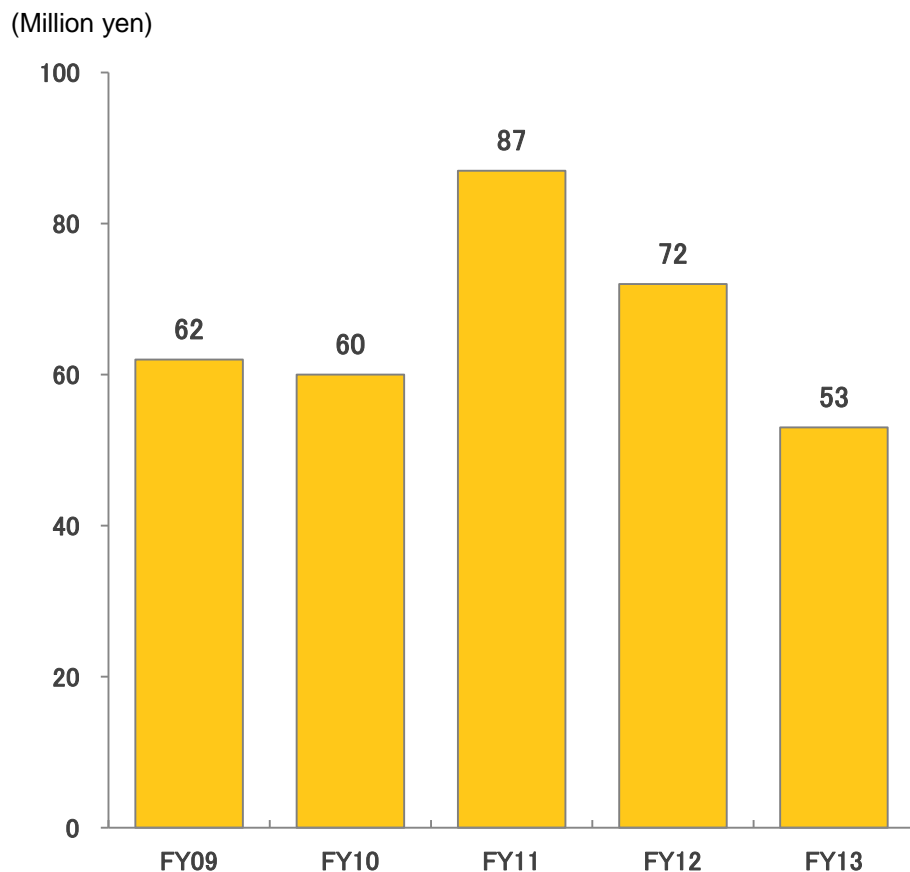
*1. Net interest-bearing debt = Interest-bearing debt - Liquidity in hand

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

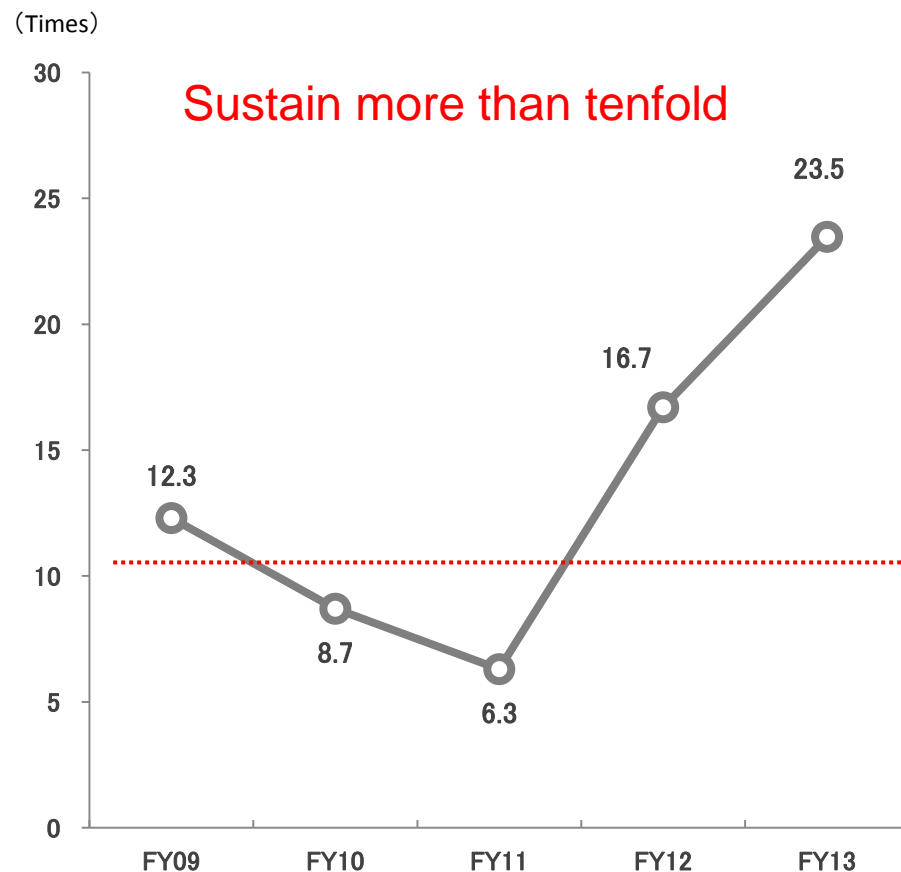
3. Liquidity in hand = Cash and deposits + Securities including current assets

Financial Index (4) Interest Paid and ICR

Interest paid



ICR

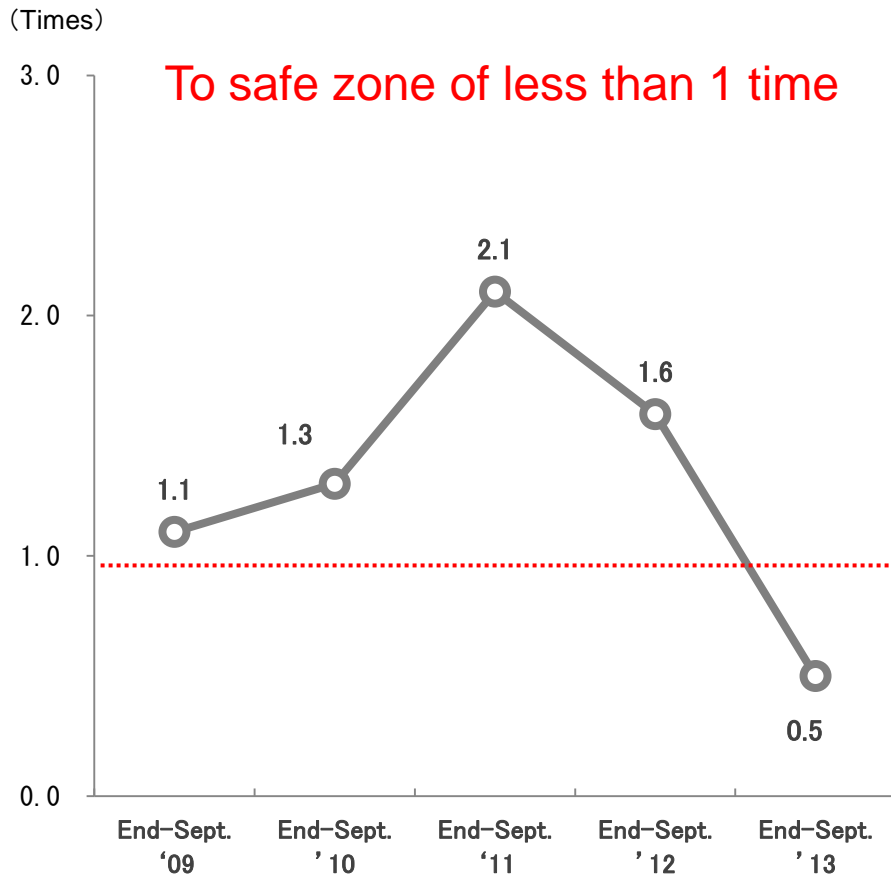


*1. Instant coverage ratio (ICR) = Net operating profit ÷ Interest paid

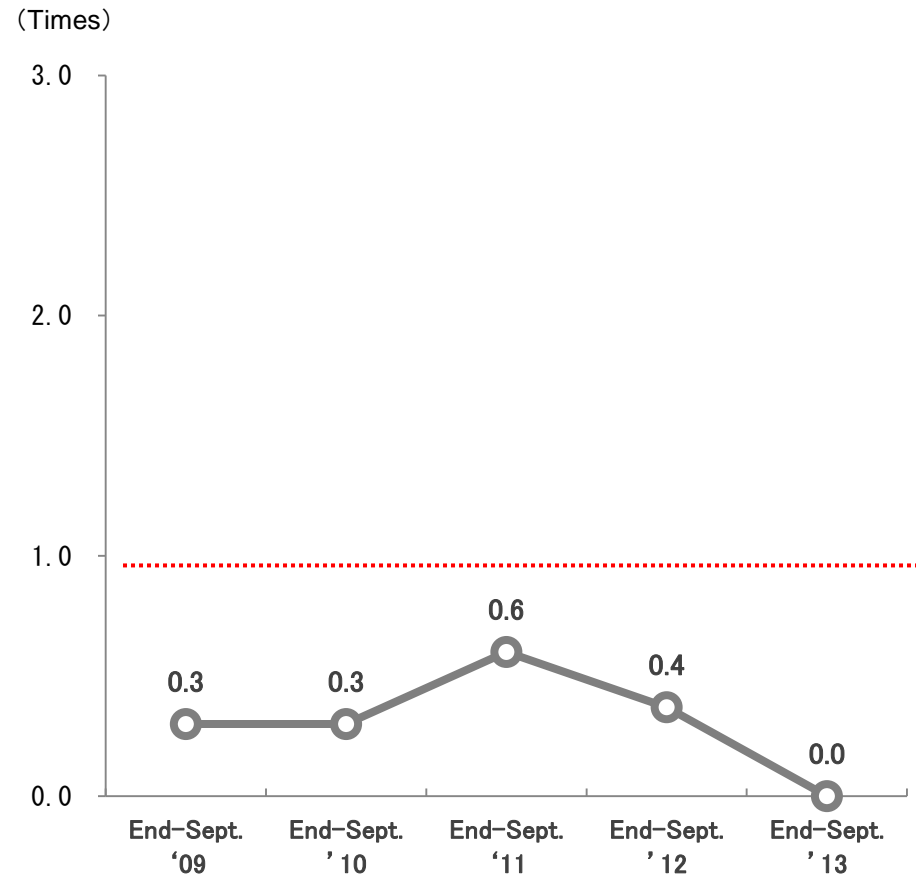
*2. Net operating profit = Operating income + Interest received + Investment gain/loss on equity method

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 including current assets

Summary of Consolidated B/S

(Million yen)

	End-Sept. '12	End-Sept. '13	Change
Shareholders' equity	2,098	4,996	2,897
Shareholders' equity ratio	27.4%	50.4%	23.0pt.
Liquidity in hand	2,564	4,262	1,697
Interest-bearing debt	3,335	2,488	▲847
D/E ratio	1.59倍	0.50倍	▲1.09pt.

CONTENTS

Consolidated Financial Overview ... P4

Construction Technician
Temporary Staffing ...P26

Shareholder Return ...P37

Reference ...P41

Four Indicators of Sales

No. of engineers

×

Operating rate

×

Operating time

×

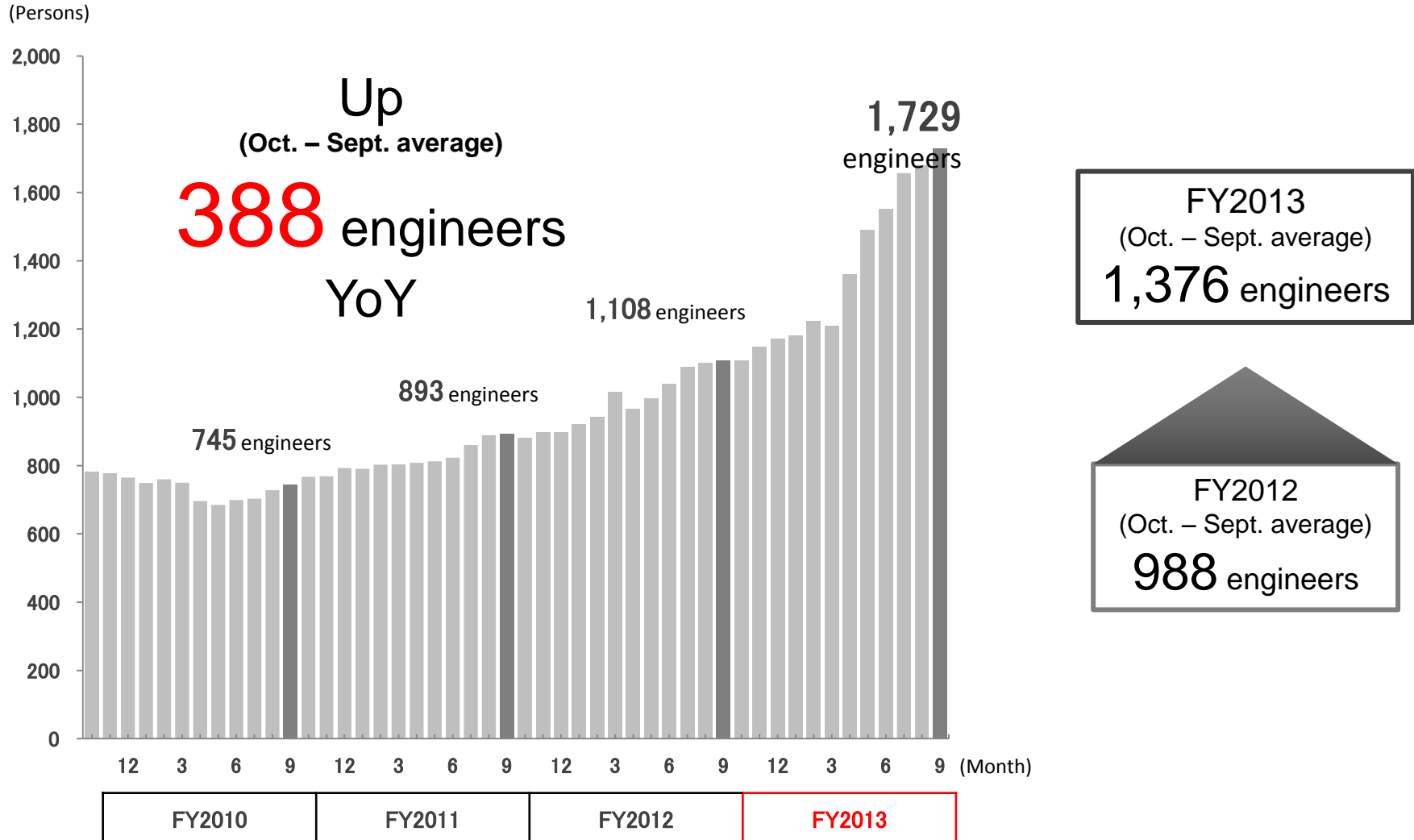
Unit cost of
temporary staffing



Sales

Sales Composition (1) Number of Engineers

■ Increased for hiring 1,233 engineers → Reached 1,700 engineers

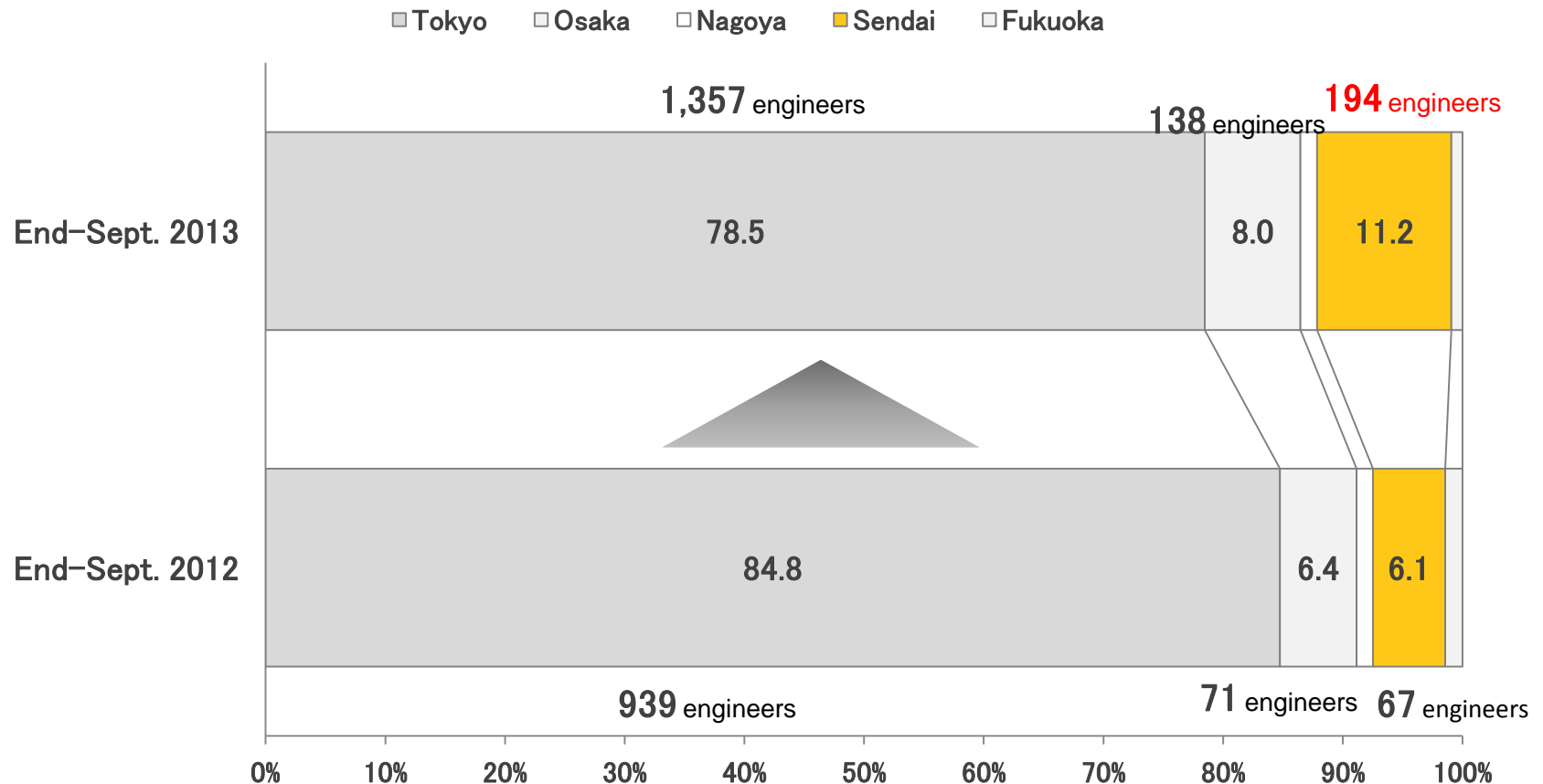


*Number of engineers at the end of month

Sales Composition (1)

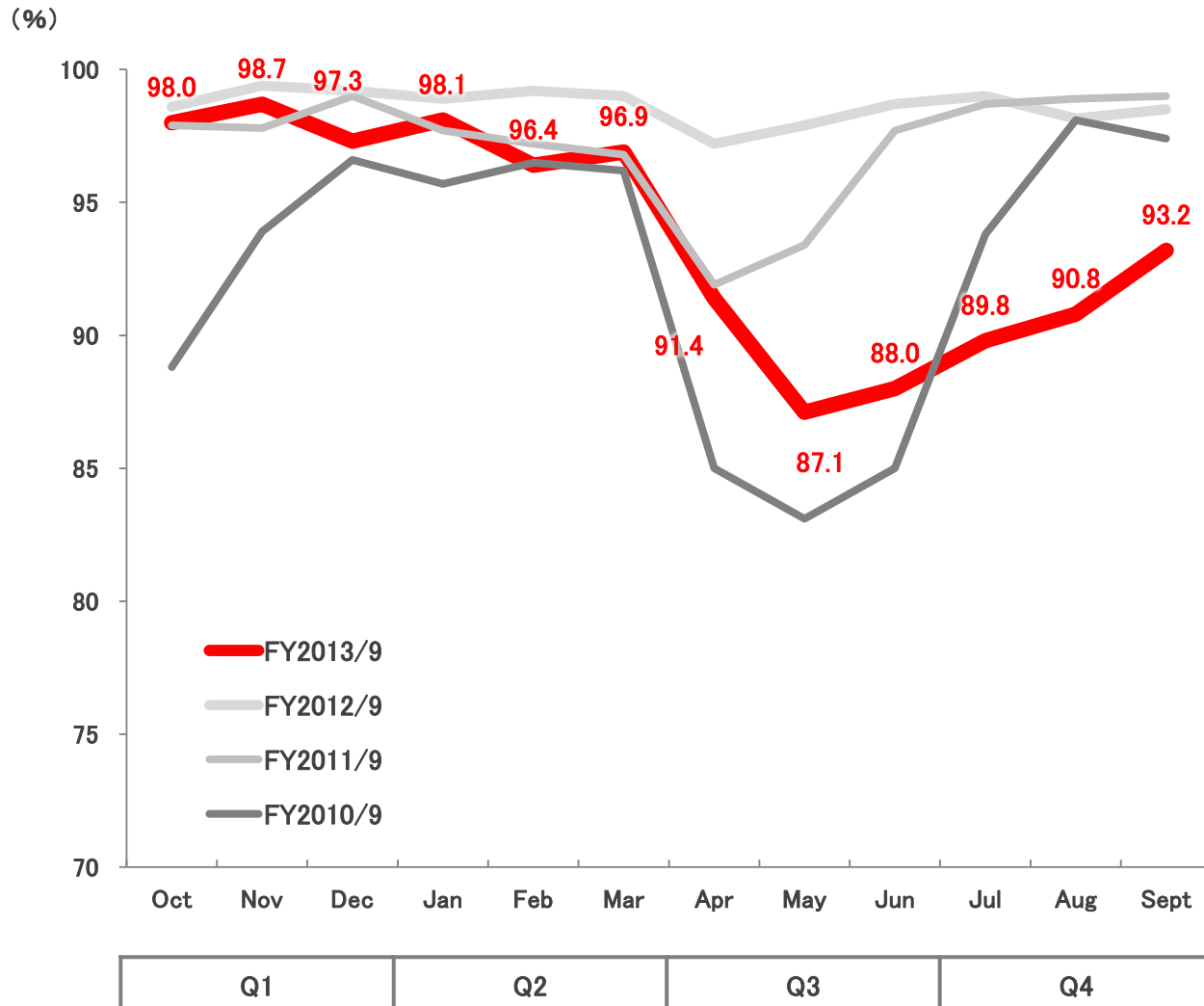
Number of Engineers and Ratio by Office

■ Remarkable increases in Tokyo and Tohoku



Sales Composition (2) Operating Rate

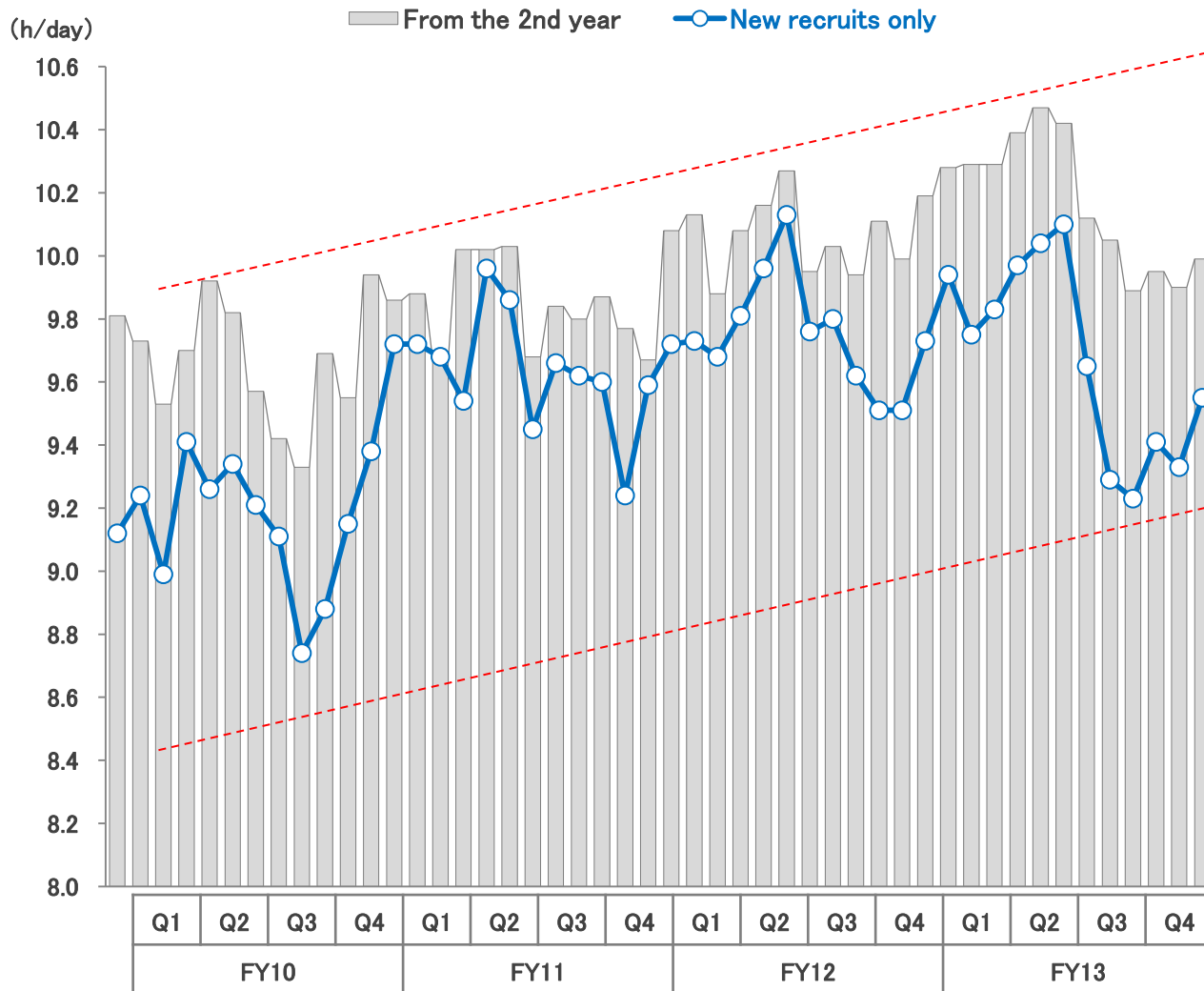
■ Dropped due to mass hiring between April and June → Recovered since July



FY9/13
(Oct. – Sept. average)
93.8%

Sales Composition (3) Operating Time

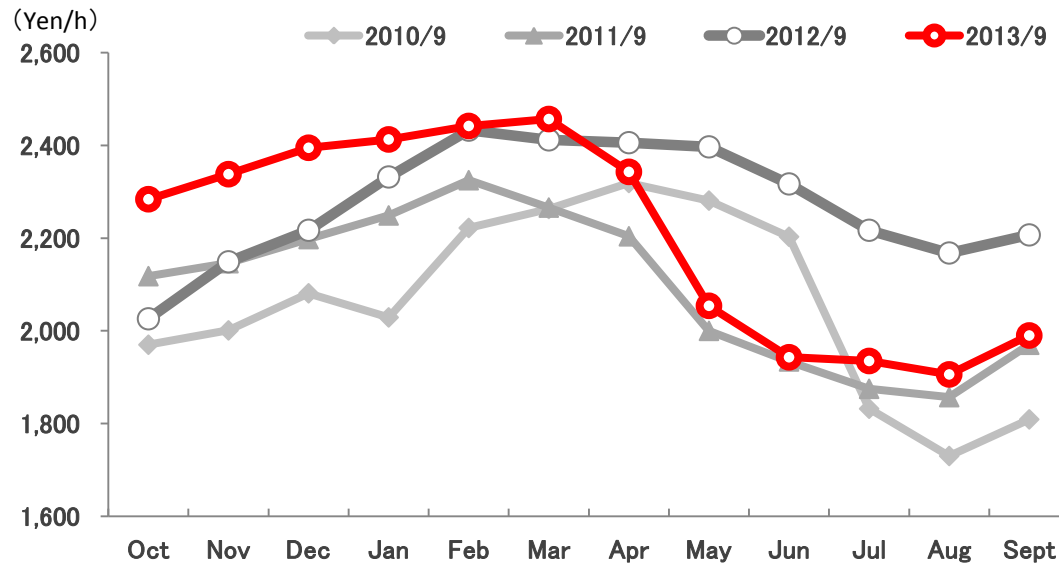
■ Moderate increase → Settled at 10h/day due to labor control



FY2013
Oct. – Sept. average
10.2h

FY2012
Oct. – Sept. average
10.1h

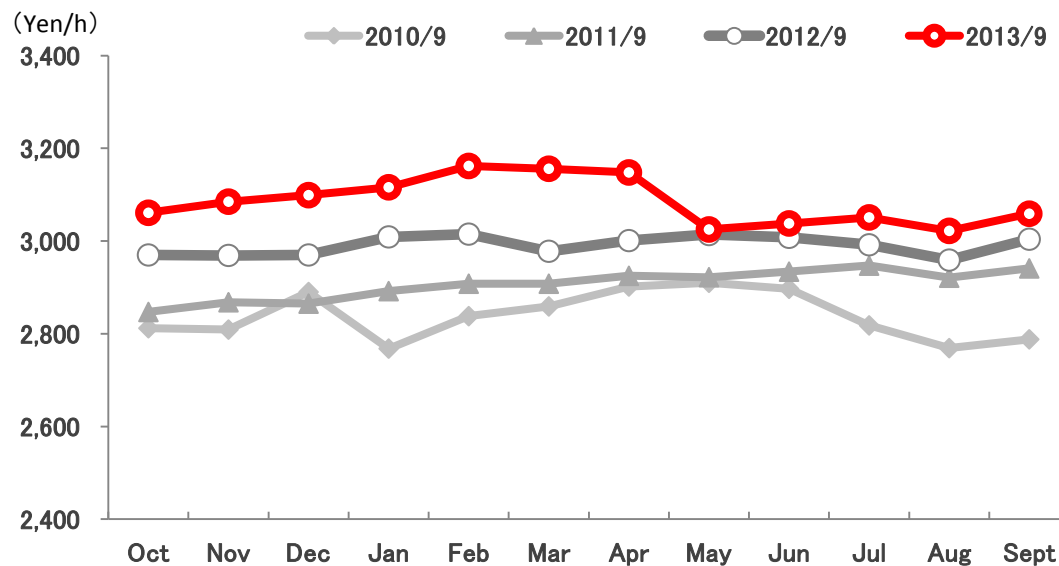
Sales Composition (4) Unit Cost of Temporary Staffing



New recruits only

Down **2.9%** YoY

Declined because of placing priority on operation



From the 2nd year

Up **3.2%** YoY

Strong growth

Summary of Four Indicators of Sales

Oct. – Sept. average

	FY2012	FY2013	Change
No. of engineers	1,108engineers	1,729engineers	+621engineers
Operating rate	98.6%	93.8%	▲4.8pt.
Operating time	10.1h (9.7h)	10.2h (9.7h)	+0.1h
Unit cost of temporary staffing	2,991yen (2,273yen)	3,085yen (2,208yen)	+94yen

*1. Operating time and unit cost of temporary staffing = From the 2nd year

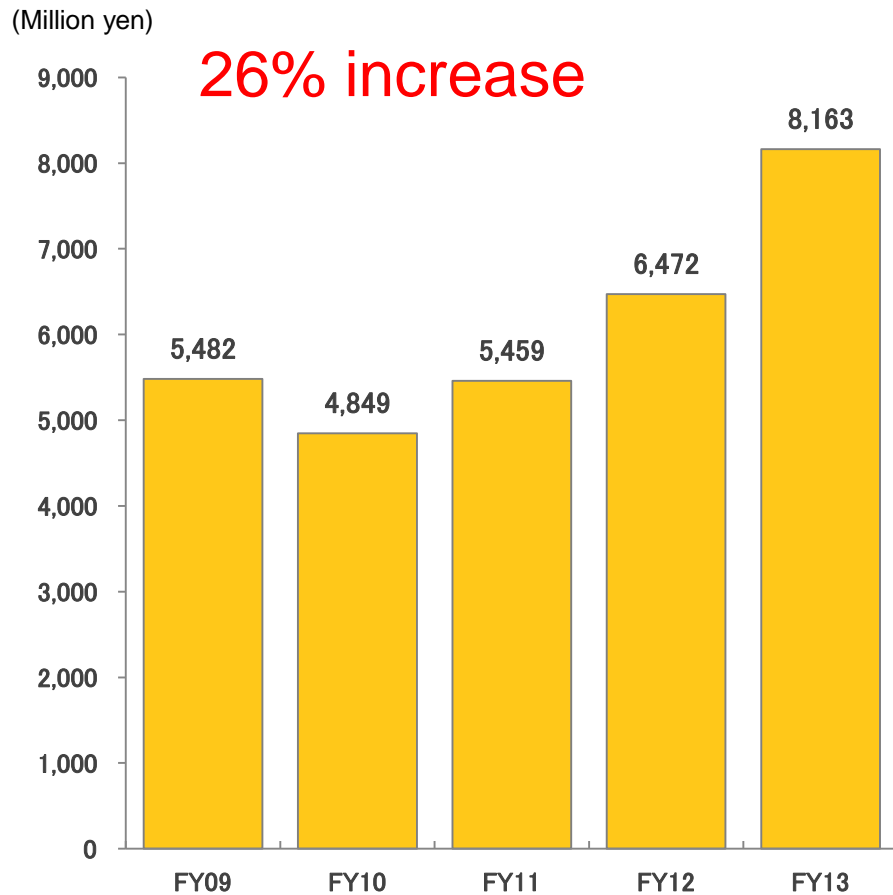
2. ()=New recruits only

Non-consolidated P/L Statement (1)

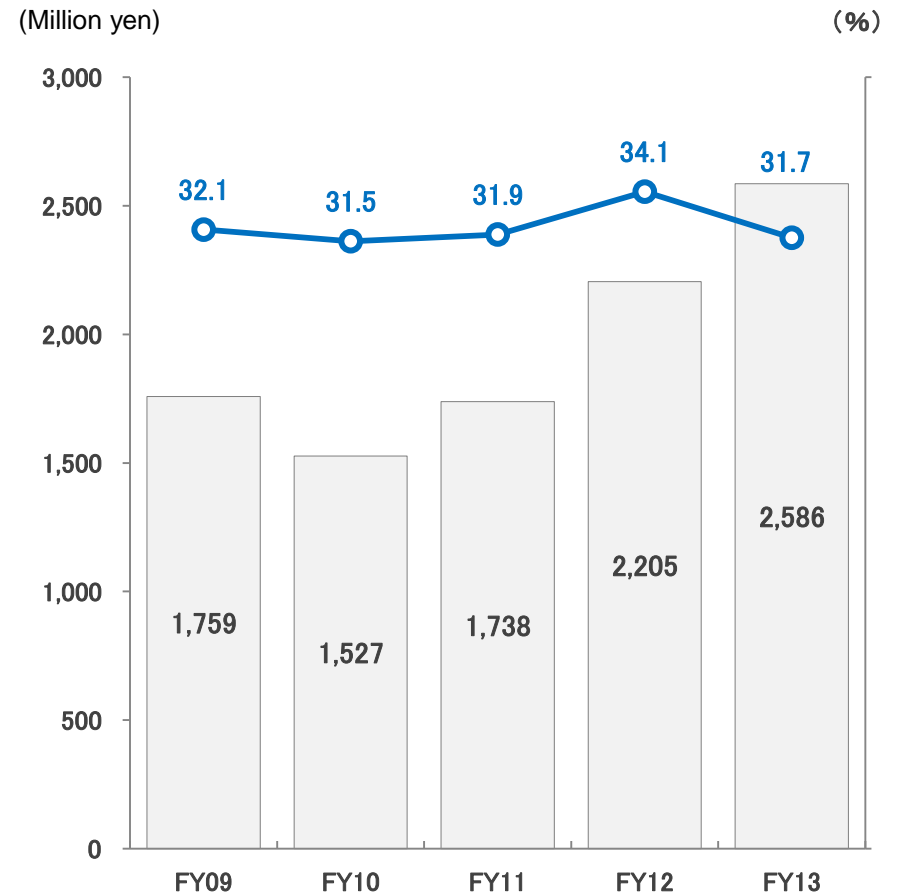
Net Sales and Gross Profit

■ Sales increased due to increased number of engineers maintaining a gross margin of 30% → Profit increase

Net sales



Gross profit



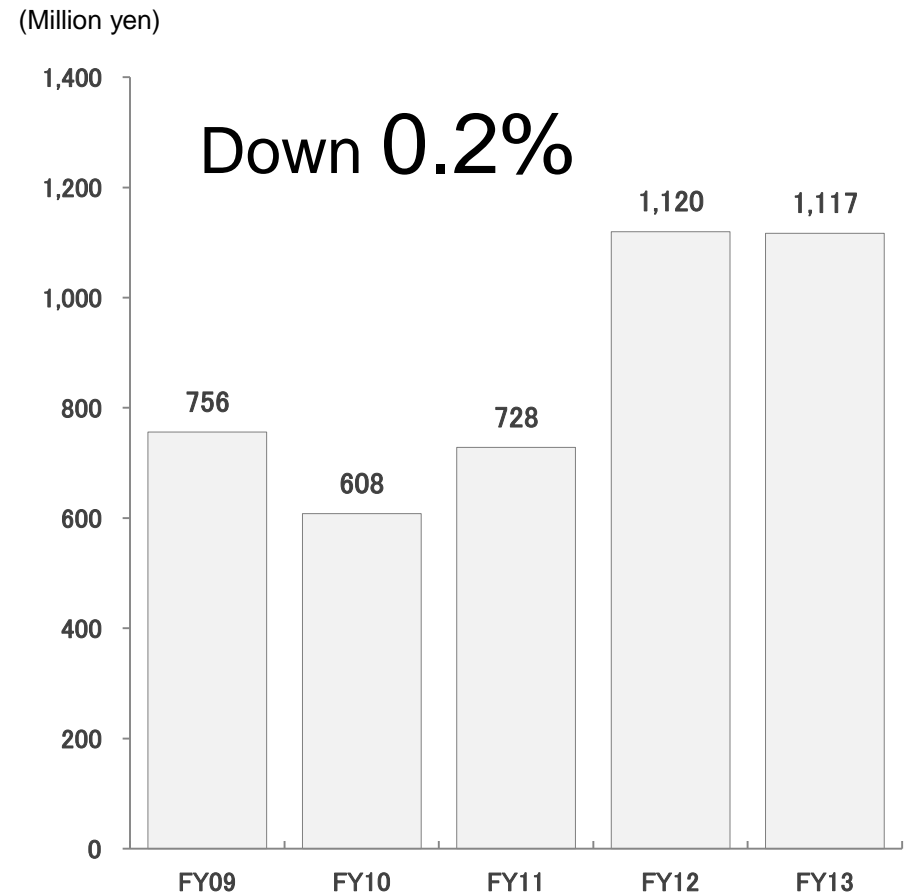
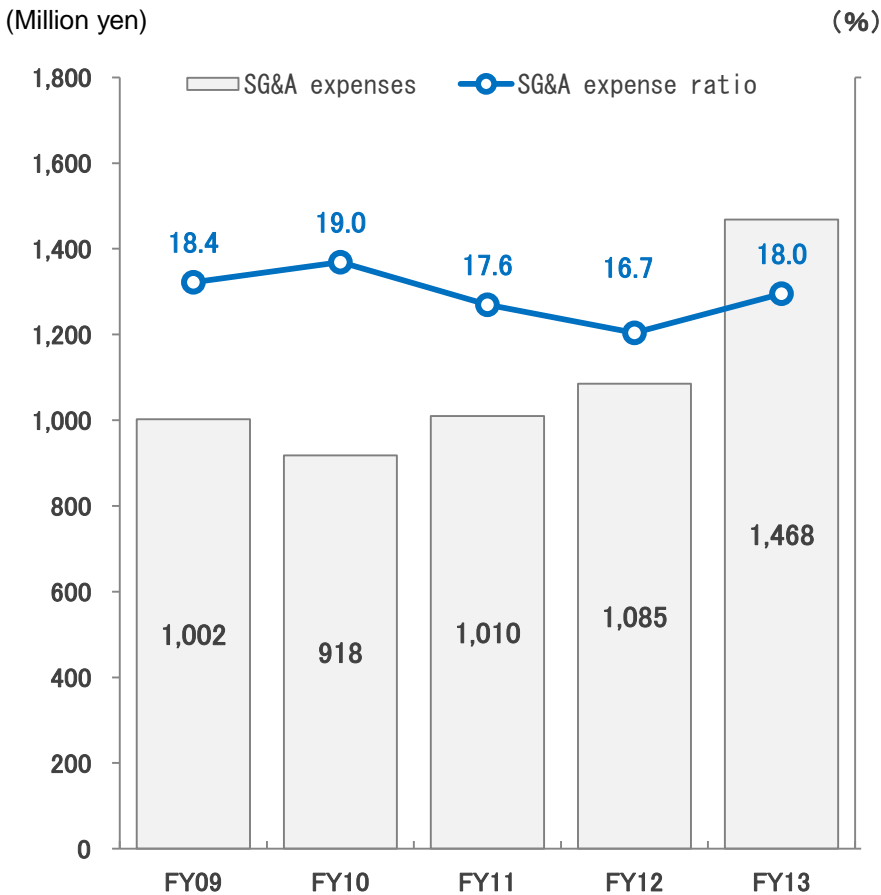
Non-consolidated P/L Statement (2)

SG&A Expenses and Operating Income

■ Upfront investment raised recruiting cost and personnel expenses → Profit decline

SG&A expenses

Operating income



Summary of Non-consolidated P/L Statement

(Million yen)

	FY2012	FY2013	Change	Pct. change
Net sales	6,472	8,163	1,691	26.1%
Gross profit	2,205 (34.1%)	2,586 (31.7%)	381	17.3%
SG&A expenses	1,085 (16.8%)	1,468 (18.0%)	383	35.3%
Operating income	1,120 (17.3%)	1,117 (13.7%)	▲2	▲0.2%
Ordinary income	1,089 (16.8%)	1,698 (20.8%)	609	55.9%
Net income	645 (10.0%)	1,378 (16.9%)	732	113.5%

*() = Percentage of sales

CONTENTS

Consolidated Financial Overview ... P4

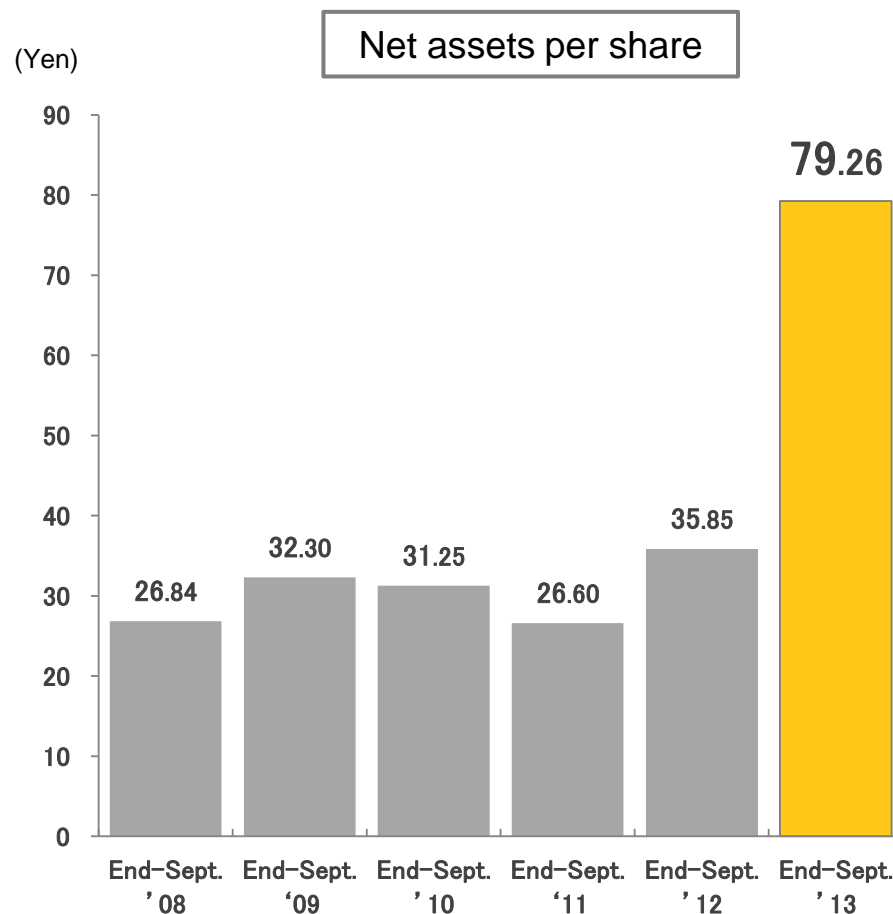
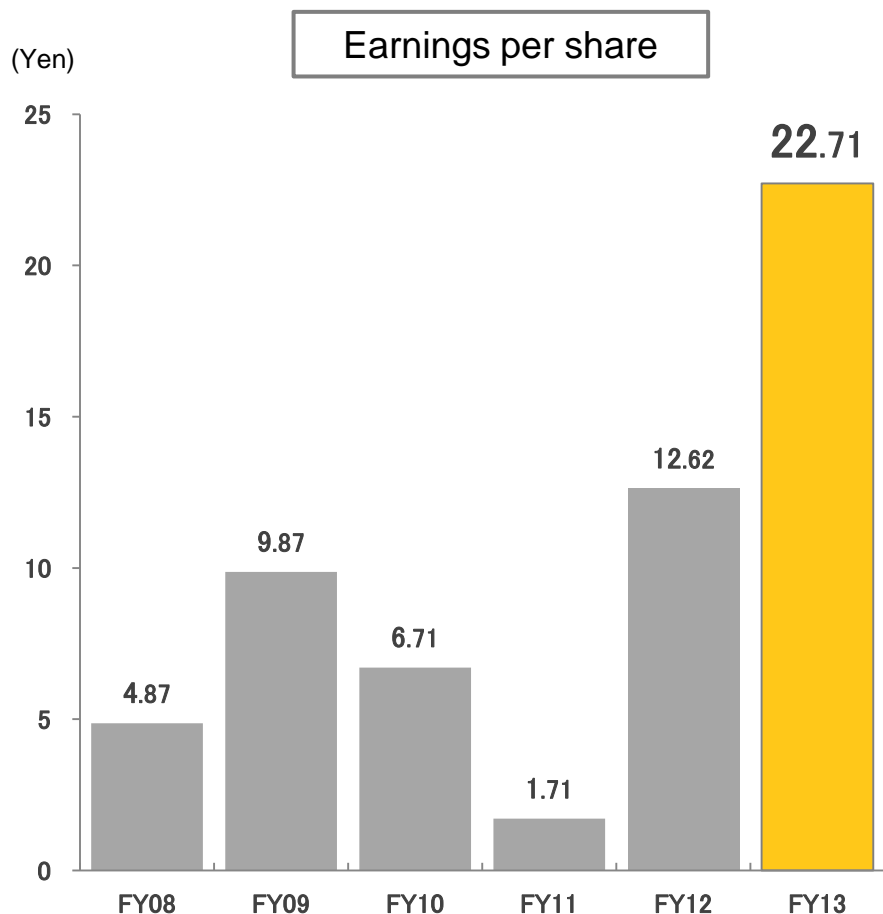
Construction Technician
Temporary Staffing ...P26

Shareholder Return ...P37

Reference ...P41

Shareholder Return (1) Earnings/Net Assets Per Share

■ Growth in net income and net assets



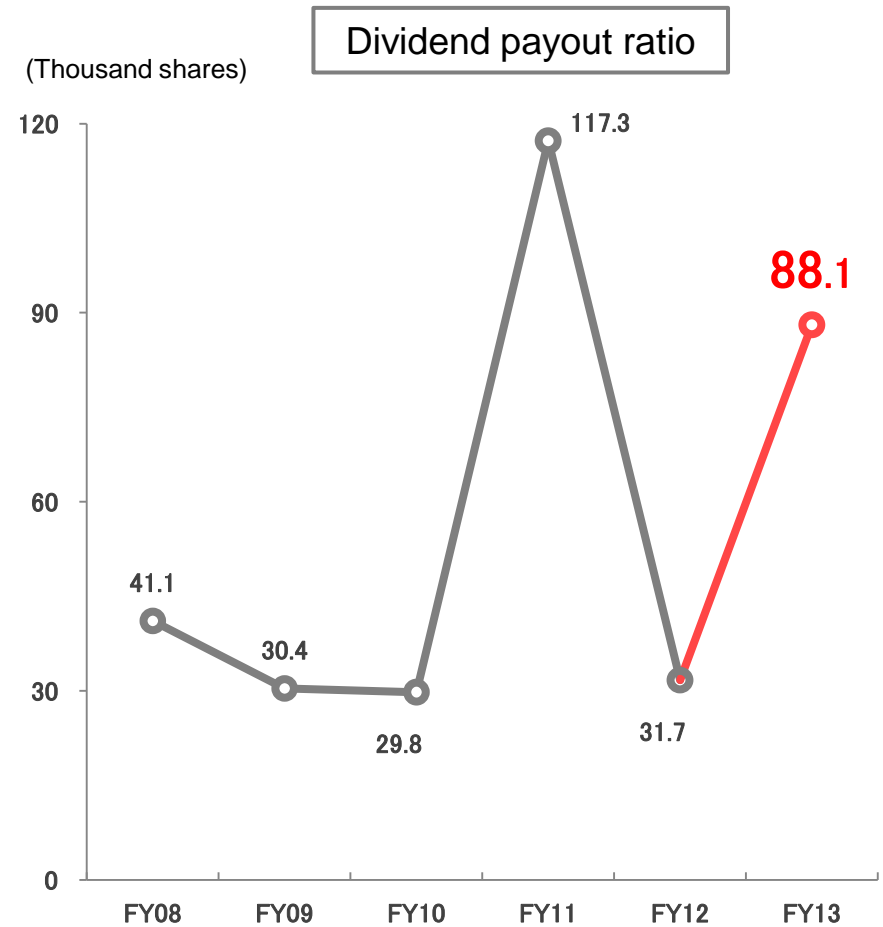
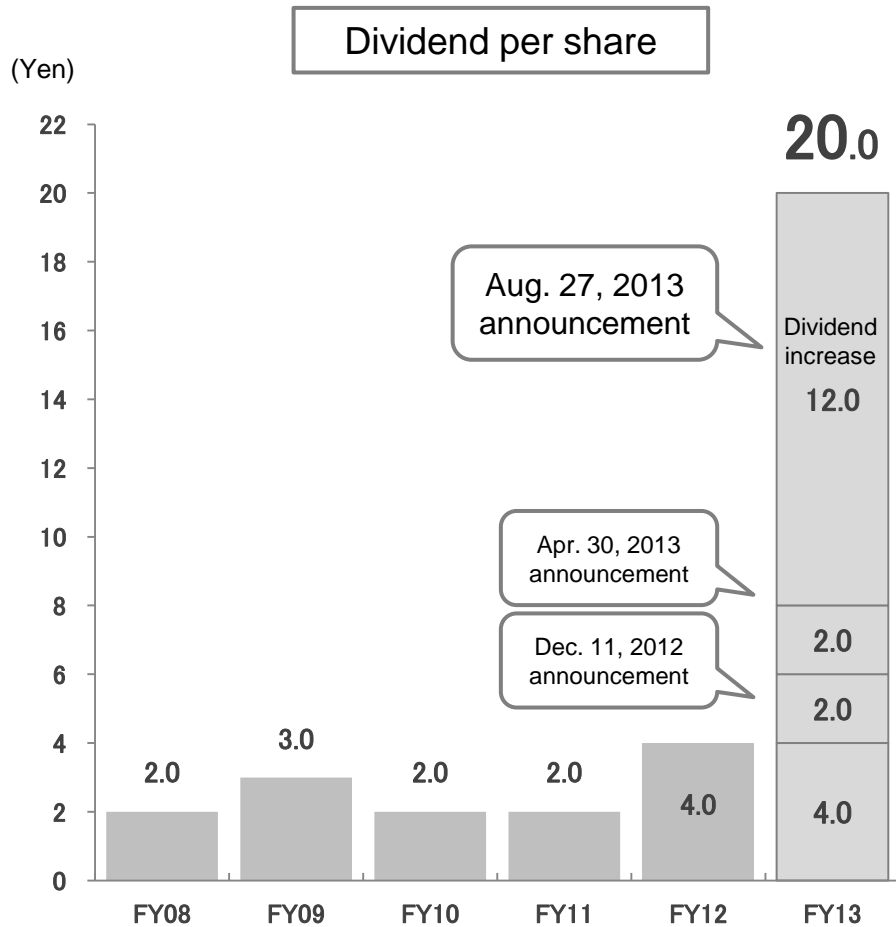
*1. $EPS = \text{Net income} \div (\text{Shares outstanding} - \text{Treasury stock}) \times 100$

*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) Dividend Per Share

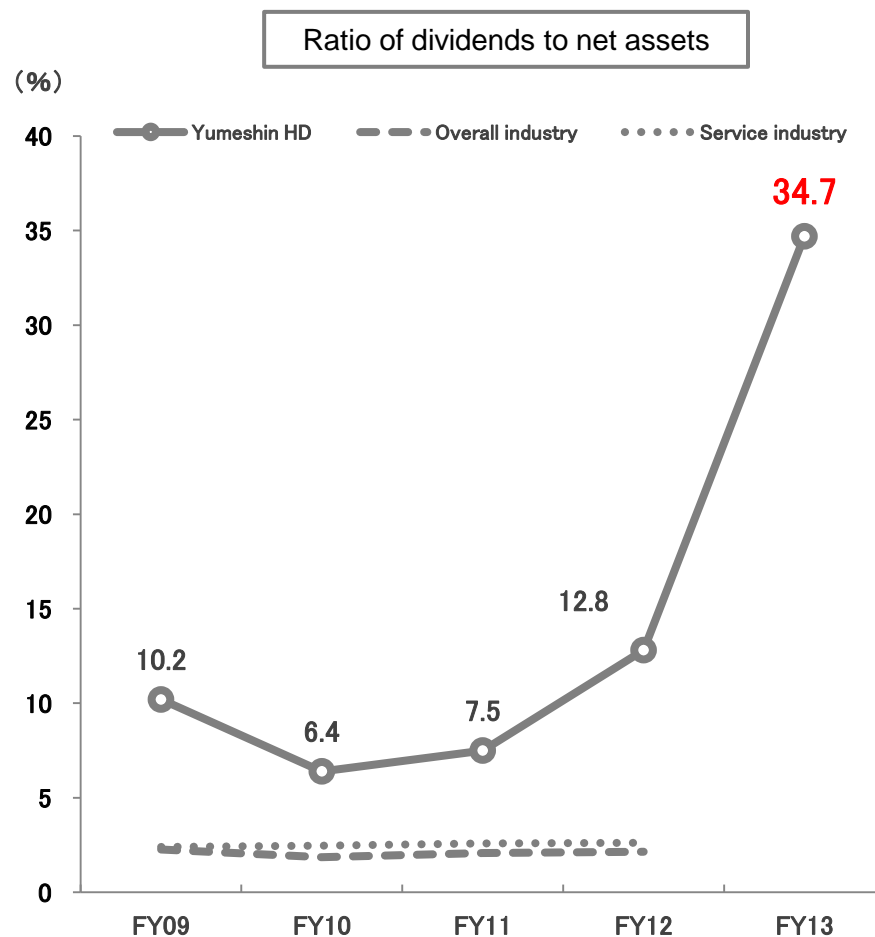
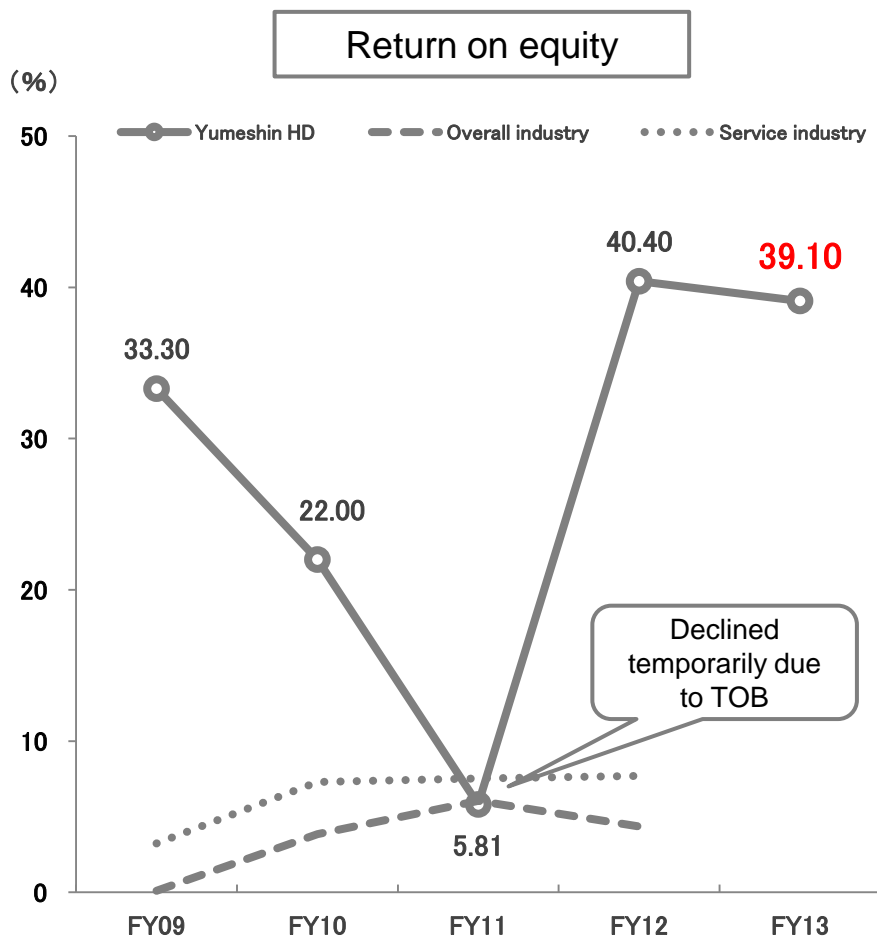
■ Dividend increases for 3 times → Up 5 times YoY aiming for 100% payout ratio



Shareholder Return (3)

Return on Equity and Ratio of Dividends to Net Assets

■ Capital efficiency and rate of return high compared with the average



*1. Return on equity = Net income ÷ Shareholders' equity (average during period) × 100

*2. Ratio of dividends to net assets = Dividend payout ratio × return on equity

*3. Overall industry and service industry belong to the TSE 1st Section

CONTENTS

Consolidated Financial Overview	... P4
<hr/>	
Construction Technician Temporary Staffing	...P26
<hr/>	
Shareholder Return	...P37
<hr/>	
Reference	...P41
<hr/>	

Reference (1) Financing

Share warrants through third-party allotment using treasury stock

Allottee **Deutsche Bank London Branch**

Proceeds **5,625 million yen**

(Reference) No. of treasury stock **11,532,486 shares (15.5%)**

As of October 17, 2013

	4th series (completed)	5th series	6th series
Exercise price	500 yen	750 yen	1,000 yen
Dilutive shares	2,500,000 shares	2,500,000 shares	2,500,000 shares
Proceeds at the time of exercise	1,250 million yen	1,875 million yen	2,500 million yen
Option to revise exercise price	None		Yes (92% of the previous close)
Shares allotted at the time of exercise	Treasury stock		
Exercise request period	From March 18, 2013 through March 17, 2016		

Meeting people makes
everybody's dream come true

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