



YUMESHIN

FY2018

Business Model

Nov. 27, 2018 edition

Yumeshin Holdings Co., Ltd.
JASDAQ 2362

Corporate Data

As of Sept. 30, 2018

Company name	Yumeshin Holdings Co., Ltd.
Established	January 1980
Capital	805,147,000 yen
Outstanding shares	74,573,440 shares
Listing	TSE JASDAQ (Code: 2362)
No. of shareholders	30,986
Representative	Shingo Sato, Chairman Daio Sato, President
Business activities	Construction engineer temporary staffing Engineer temporary staffing
Head office	1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Subsidiaries	9 companies
No. of employees	Consolidated: 6,447

History

- Jan. 1980** **Established Sato Architectural Design Office**
- Apr. 1985 Worked on the development of overseas network to prepare working drawings
- Apr. 1987 Began placing orders for working drawings to an overseas architectural design
- Oct. 1990 Changed the company name to Yumeshin Co., Ltd.
- Mar. 1991** **Launched a Construction engineer temporary staffing**
- Dec. 2001 Began preparing working drawings in color
- Sept. 2003** **Stock listing (TSE JASDAQ)**
- Apr. 2005 Became a holding company
Established Yumeshin Co., Ltd. as a successor company
- Oct. 2007 Yumeshin Holdings Co., Ltd. and Yumeshin Co., Ltd. merged
- Jan. 2011 Unitech Soft Inc. became a subsidiary
- May Yume Technology Co., Ltd. became a subsidiary
- Oct. Yume Technology Co., Ltd. merged Unitech Soft Inc.
- Feb. 2015 Established Yume Agent Co., Ltd.
- May 2016 Established Yume Education Co., Ltd.
- Dec. 2017** **Announced a medium-term management plan**

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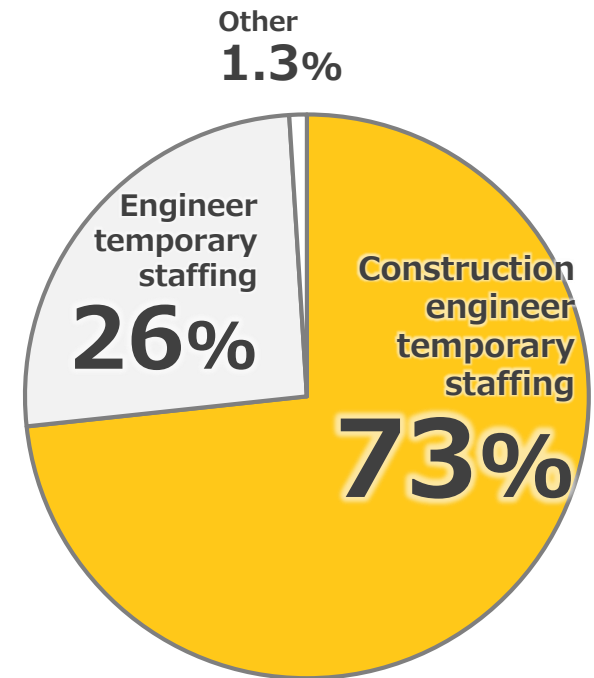
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Business Portfolio

As of Dec. 31, 2017

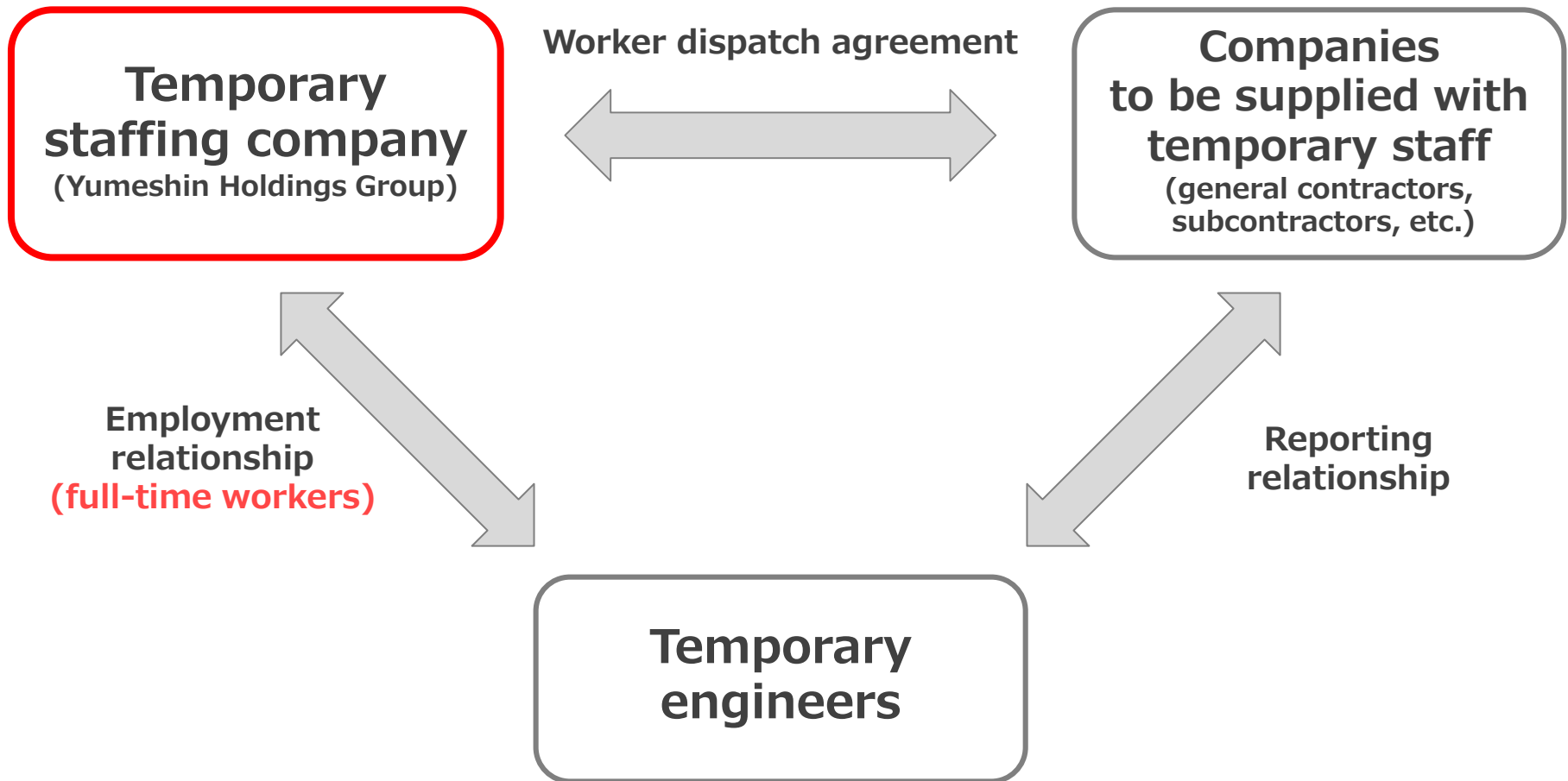
Ratio of sales composition

Business category	Business description
Construction engineer temporary staffing	<ul style="list-style-type: none"> • Temporary staffing of construction management specialist • Temporary staffing of CAD operator • Contract production of constructing drawings
Engineer temporary staffing	<ul style="list-style-type: none"> • Temporary staffing of engineers for manufacturing industry • Temporary staffing of IT engineers
Other	<ul style="list-style-type: none"> • Introducing human resources to construction/manufacturing industries • Teaching of Japanese language to human resources in the Philippines



※ FY2018/Q4

What is engineer Temporary Staffing?



Construction engineer temporary staffing

Differentiation through “Steady employment” + “Selection and concentration”

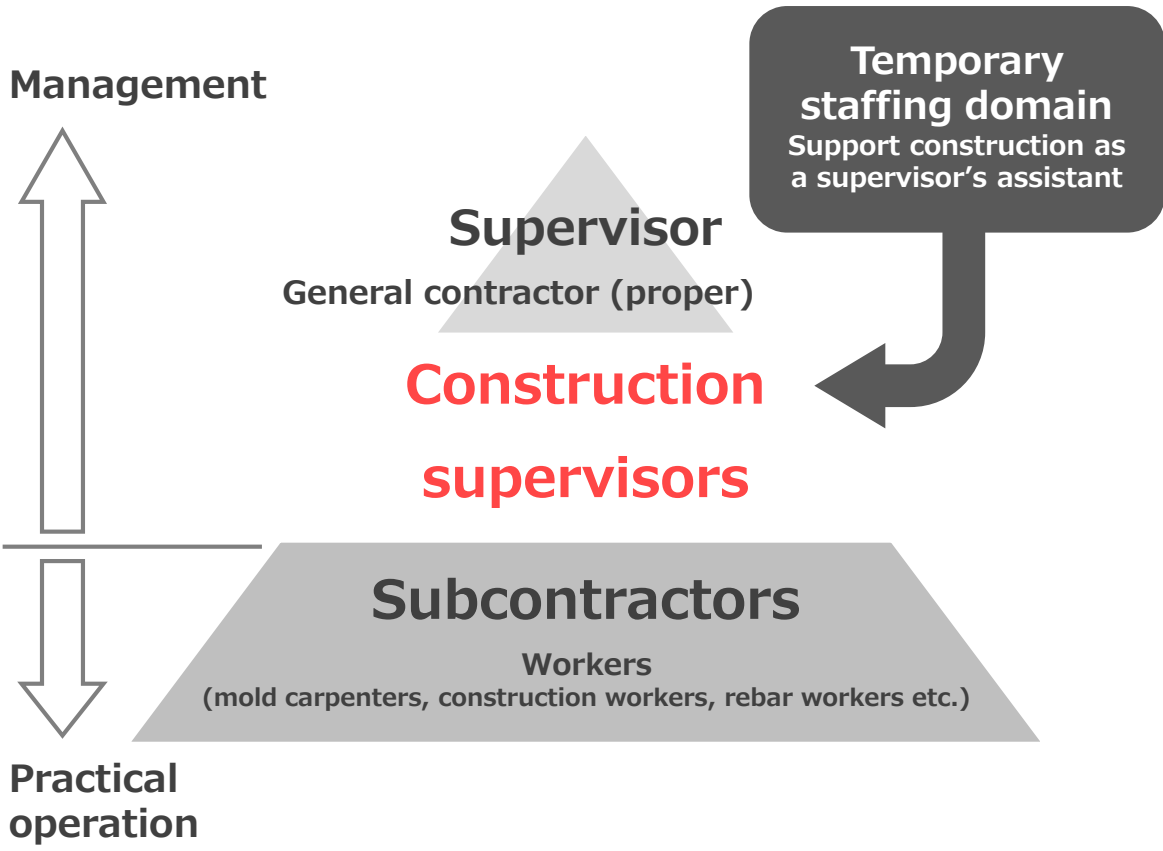


General temporary staffing

Permanent Employees	Employment system	Registration-type
Specialize in construction	Temporary staffing	Cover multi-industry
Mainly new graduates and young people	Characteristics of workforce	20's - 40's
17%	Operating profit margin (FY2018 actual)	Around 5%

*Operating income ratio of Yumeshin Holdings is figures of construction engineer temporary staffing business

Overview of Construction engineer Temporary Staffing



5 management tasks

- a) **Safety management**
Secure the safety of workers
- b) **Quality control**
Confirmation of construction method, materials and completion
- c) **Process control**
Organize construction arrangements
- d) **Cost control**
Manage material cost, labor cost and other costs
- e) **Environmental control**
Meetings to explain construction works to residents, etc.

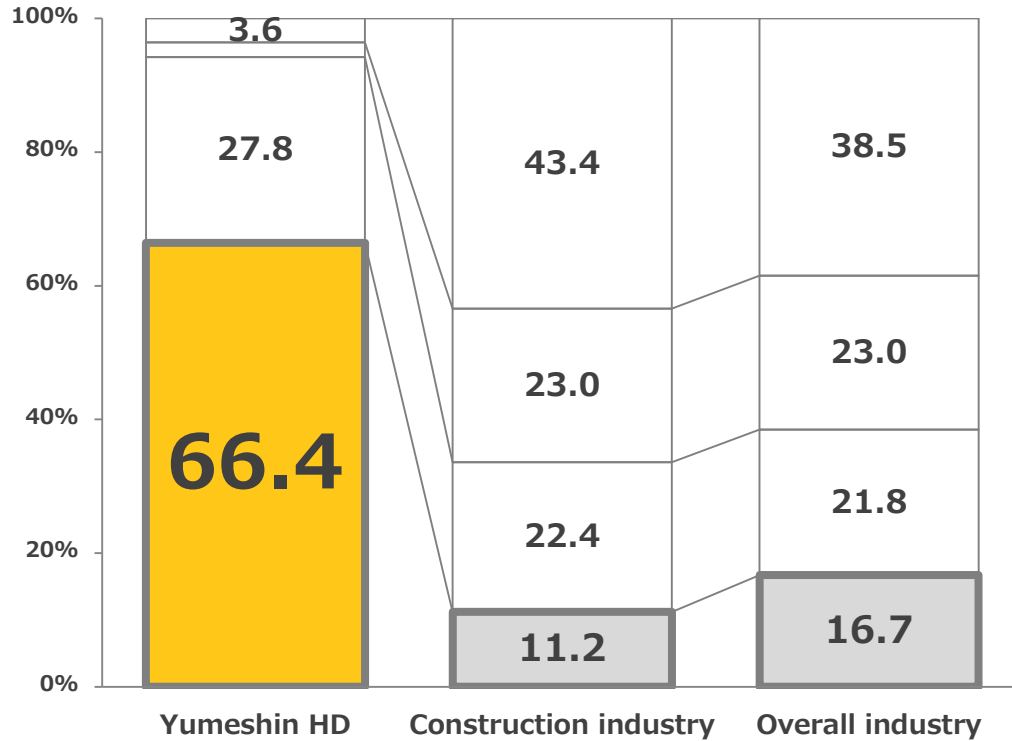
Strength of Construction engineers (1)

About 70% are in their 20s

Growth Potential

Ratio by age group

■ 20s □ 30s □ 40s □ Over 50s



Strength of Construction engineers (2)

over 1,600 client companies

A system without dependence on particular company

Sales composition

(%)

Rank	FY2014		FY2015		FY2016		FY2017		FY2018	
	1	Daiwa House Industry Co., Ltd.	6.5	Daiwa House Industry Co., Ltd.	6.2	Daiwa House Industry Co., Ltd.	6.1	Daiwa House Industry Co., Ltd.	5.4	Daiwa House Industry Co., Ltd.
2	TOKYU CONSTRUCTION CO., LTD.	4.6	SHIMIZU CORPORATION	3.7	Taisei Corporation	4.1	Taisei Corporation	3.8	Taisei Corporation	3.8
3	Taisei Corporation	3.5	Taisei Corporation	2.8	SHIMIZU CORPORATION	3.4	SHIMIZU CORPORATION	2.6	SHIMIZU CORPORATION	2.6
4	HAZAMA ANDO CORPORATION	1.6	TOKYU CONSTRUCTION CO., LTD.	2.7	Takenaka Corporation	3.0	Takenaka Corporation	2.0	Shinryo Corporation	1.7
5	SHIMIZU CORPORATION	1.6	Takenaka Corporation	2.2	Shinryo Corporation	1.7	FUJI ELECTRIC Co., Ltd.	1.6	NIPPO	1.3
	Top 5 total	17.8	Top 5 total	17.5	Top 5 total	18.3	Top 5 total	15.3	Top 5 total	14.1
	Top 10 total	24.9	Top 10 total	24.8	Top 10 total	24.6	Top 10 total	22.1	Top 10 total	19.8

A great deal of experience in construction

Office buildings, public facilities, condominiums and urban development ...and more !!



Shin-Marunouchi Building



Roppongi Hills



Tokyo Midtown

1. The only listed temporary staffing company
Specializing in construction
2. Temporary staffing company with the
Highest operating margin
3. Temporary staffing company with the outstanding
Growth rate

Comparison of Operating Margin

Rank	Name	Margin
1st	Yumeshin Holdings	17.5%
2nd	Meitec Corporation	12.4%
3rd	Altech Corporation	10.7%
4th	TechnoPro Holdings	9.6%
5th	Trust Tech	7.5%

Rank 1st

including general and specific temporary staffing

*1. Prepared by Yumeshin based on each company's disclosure materials
*2. Each company's recent financial results
3. Yumeshin Holdings is figures of construction engineer temporary staffing business.

Strength in price negotiation capability per person

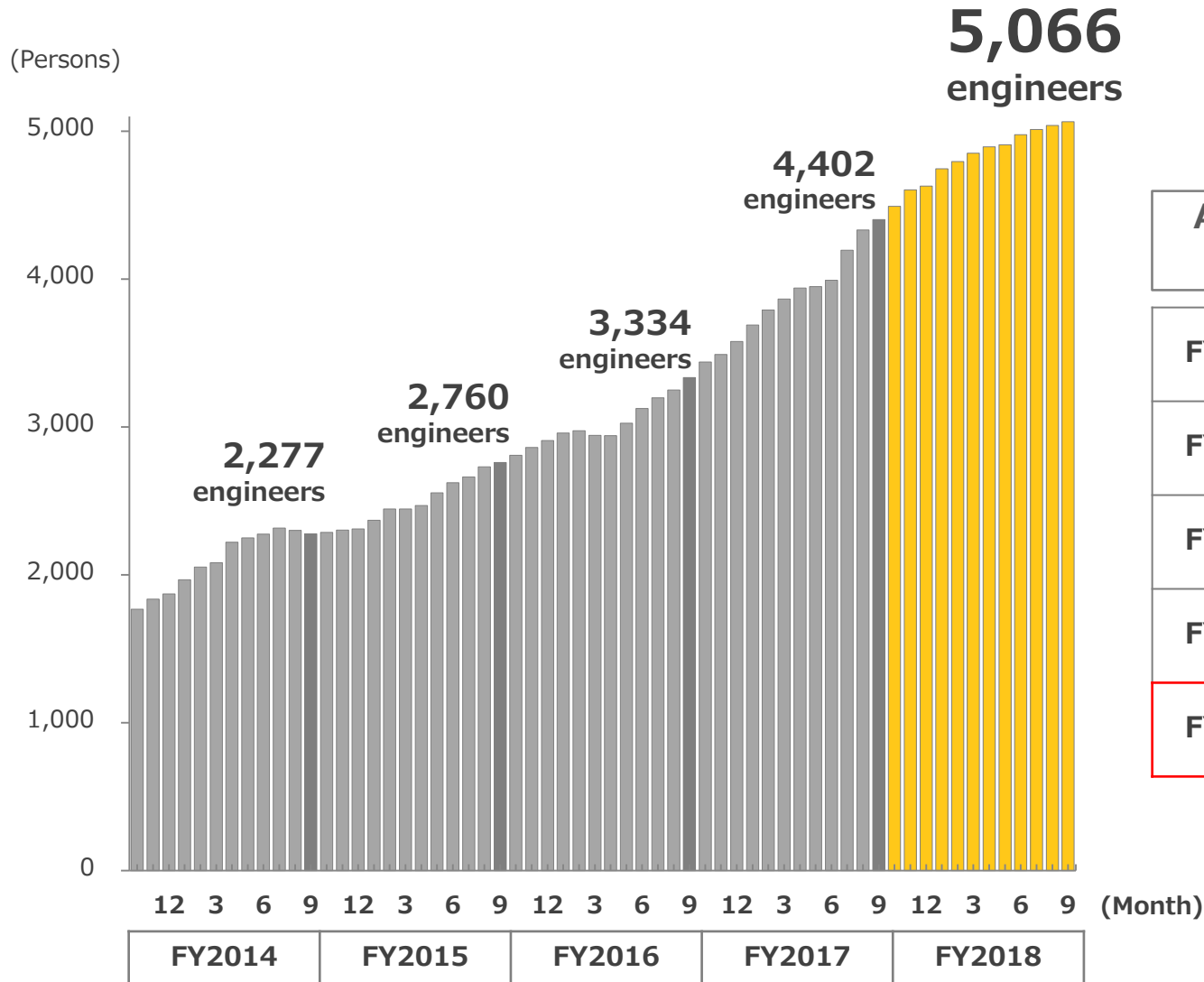


General temporary staffing

Management	Business	Office work, etc.
9 months	Assignment period	1 to 3 years
1or 2 people	Number of staff	Tens to hundreds of people
Site manager	Decision maker	Head office personnel dept. etc.

Changes in the Number of Engineers

■ Increased by 664 engineers YoY (+15.1%)



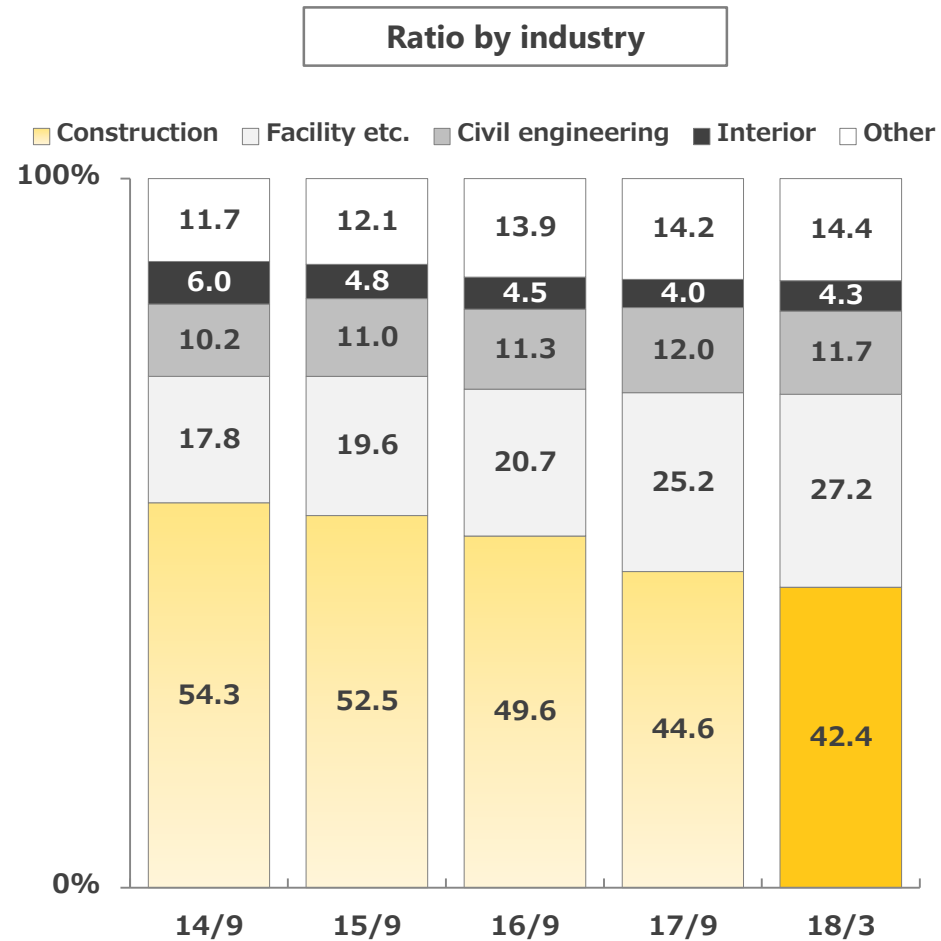
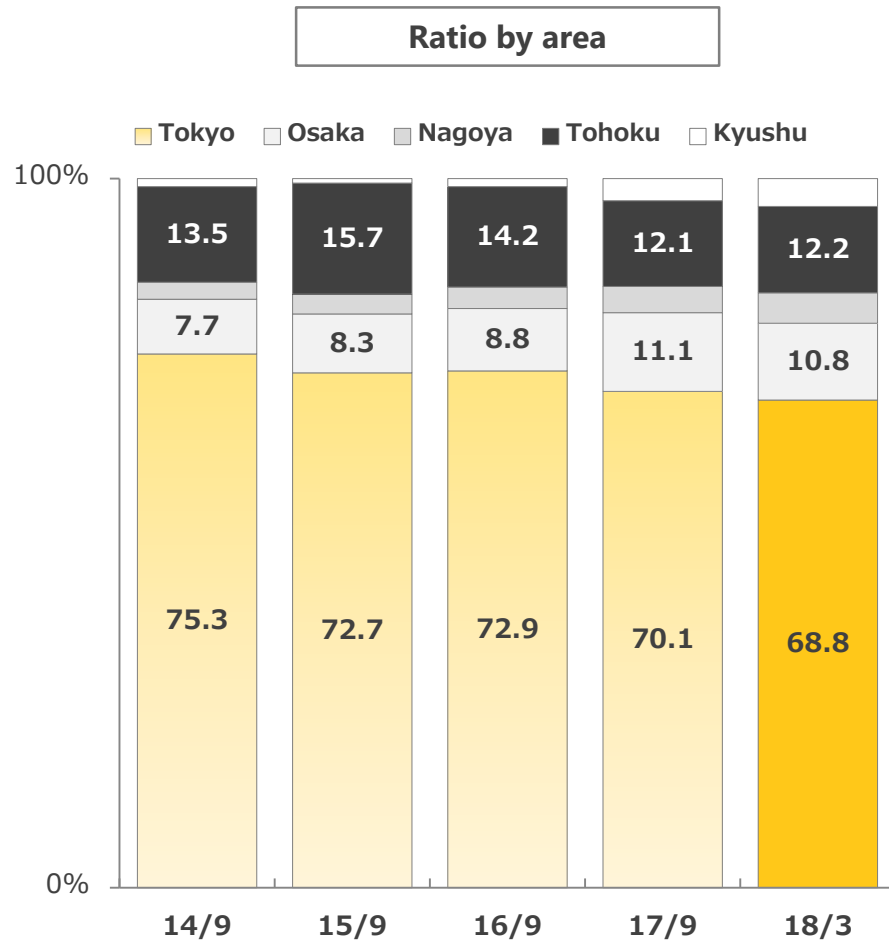
Avg. number of engineers
12-month avg.

Fiscal Year	Number of Engineers	YoY
FY2014	2,101 engineers	
FY2015	2,497 engineers	+18.8%
FY2016	3,027 engineers	+21.3%
FY2017	3,889 engineers	+28.5%
FY2018	4,835 engineers	+24.3%

※ Number of engineers at the end of month

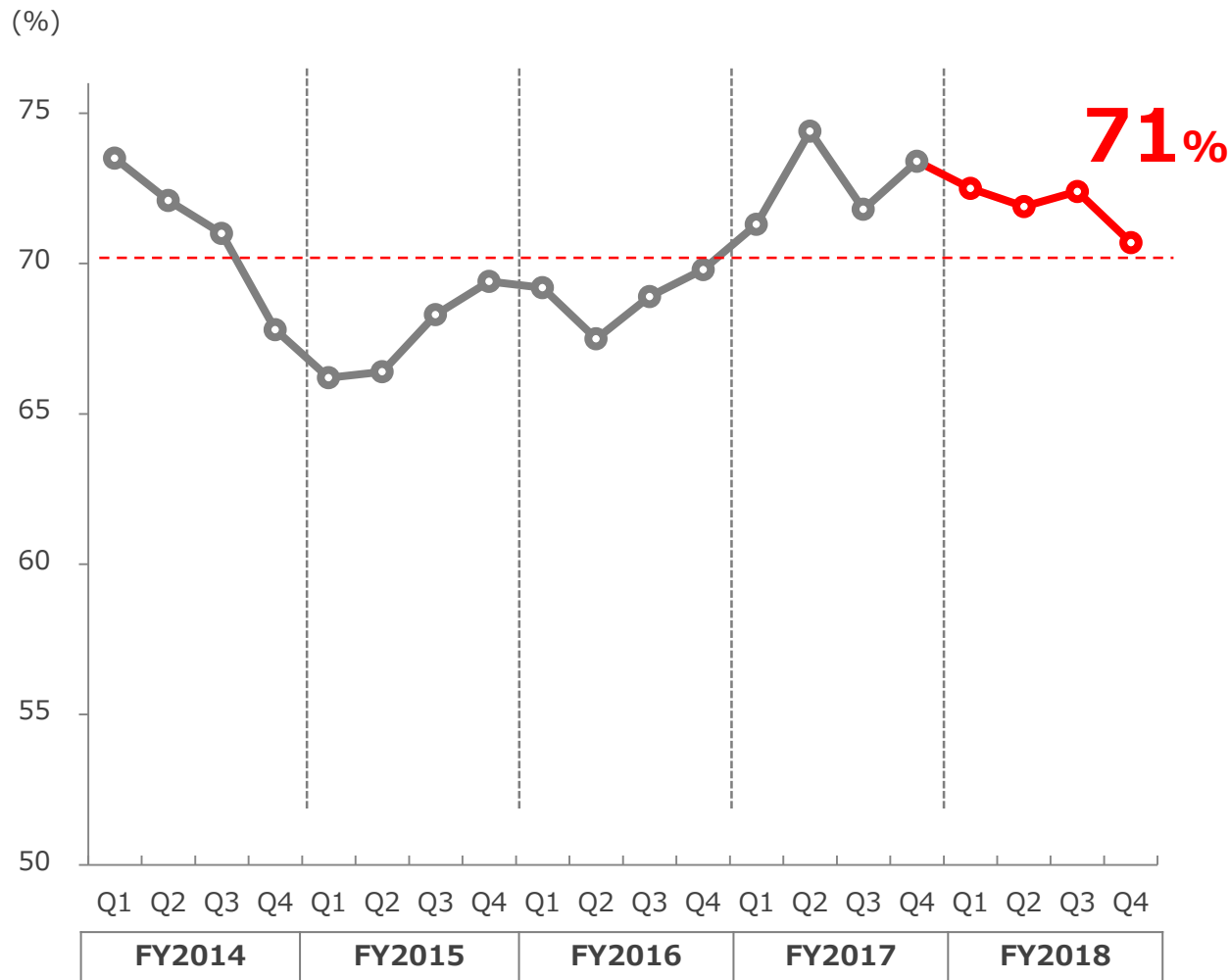
Ratio by area and industry of temporary staffing

Business in Tohoku and civil engineering industry grew, although four years have passed since the Great East Earthquake



Retention Rate

■ Achieved the target of 72% with continuous improvement measures

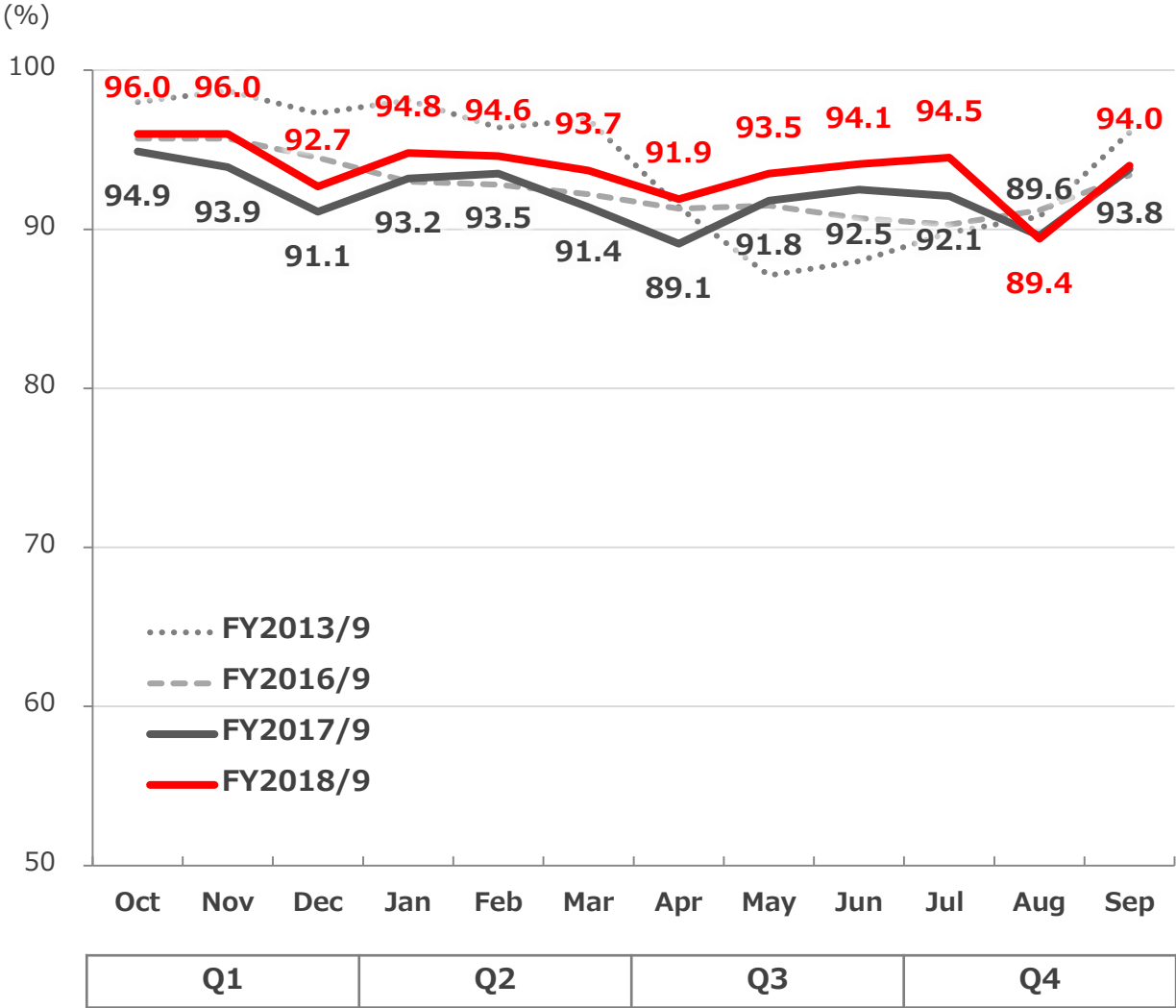


Avg. number of engineers 12-month avg.		
FY2014	71.1%	YoY
FY2015	67.6%	▲3.5pt.
FY2016	68.9%	+1.3pt.
FY2017	72.7%	+3.9pt.
FY2018	71.9%	▲0.8pt.

※ Retention rate = Employees at year end / (Employees at previous year end + New hires during the year) x 100

Utilization Rate

■ Utilization Rate slightly declined due to steady recruitment but maintained more than 90%

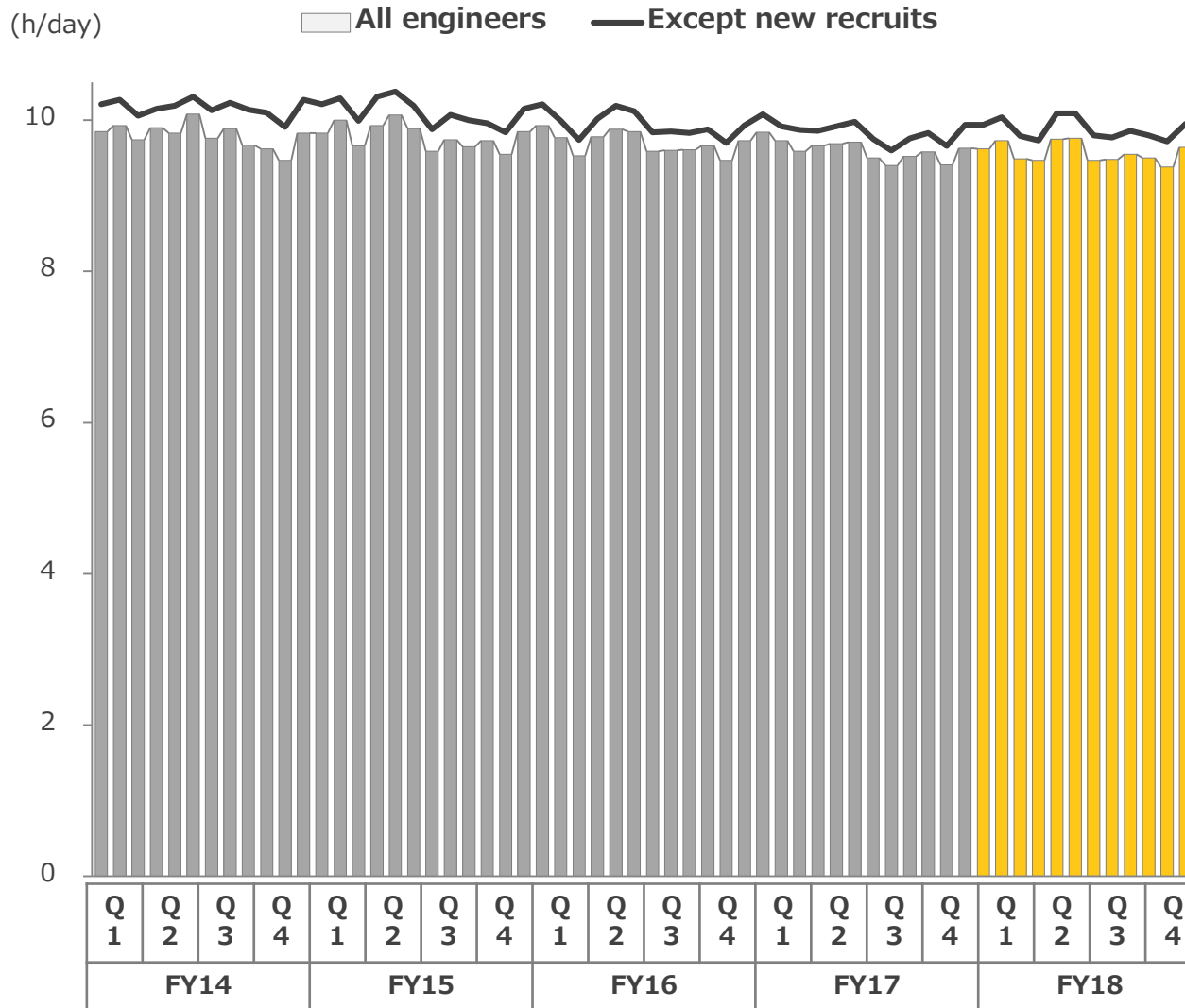


Avg. number of engineers
12-month avg.

Fiscal Year	Utilization Rate (%)	YoY Change
FY2013	94.1%	YoY
FY2016	92.7%	▲ 1.9pt.
FY2017	92.2%	▲ 0.4pt.
FY2018	93.8%	+1.5pt.

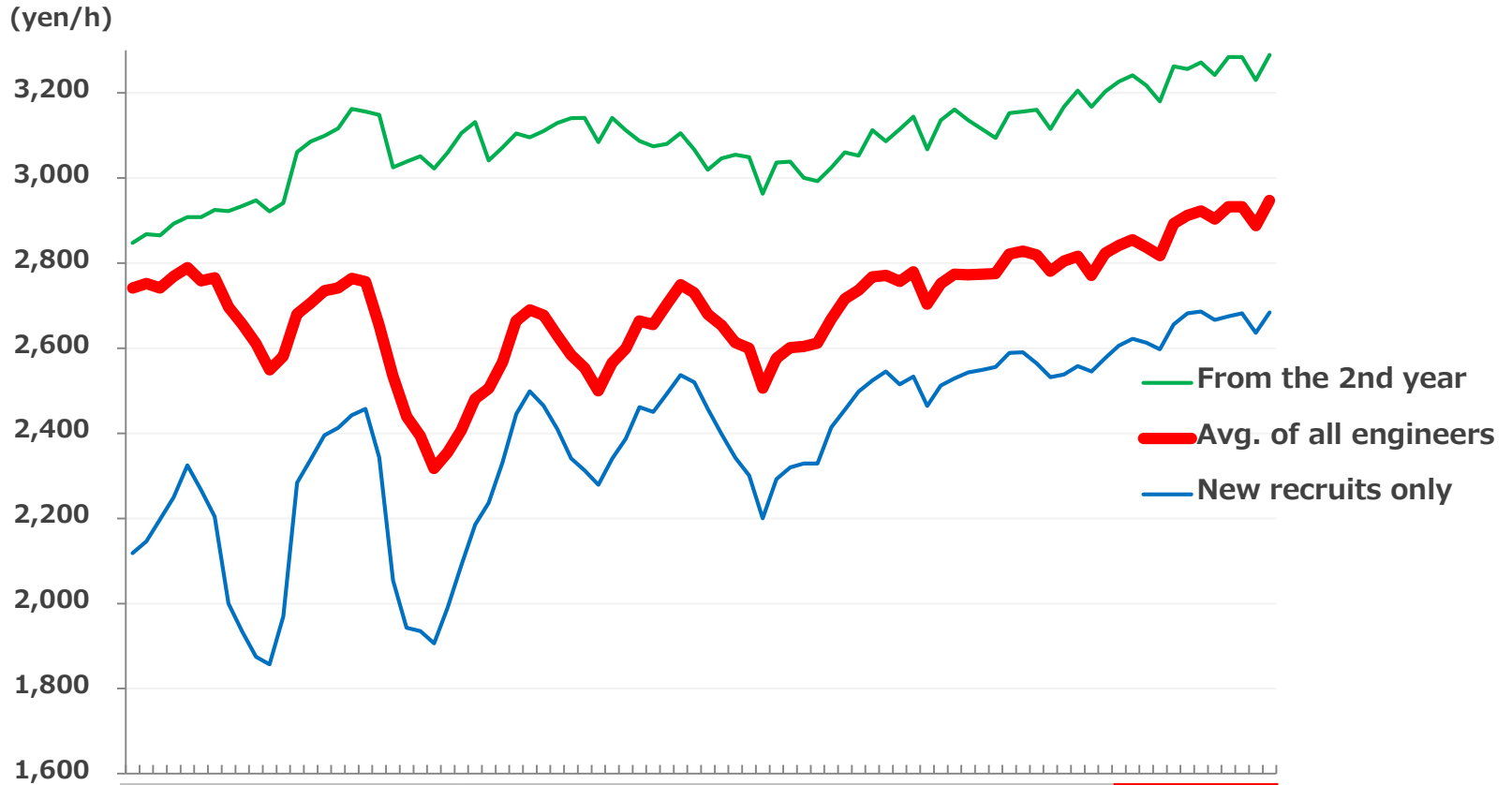
Operating Time

- Operating time continues to decline as a result of “working style reforms” and other measures to raise awareness of the importance of labor management



Avg. number of engineers 12-month avg.		
FY2014	9.80h	YoY
FY2015	9.79h	▲0.1%
FY2016	9.70h	▲0.9%
FY2017	9.61h	▲1.0%
FY2018	9.57h	▲0.4%

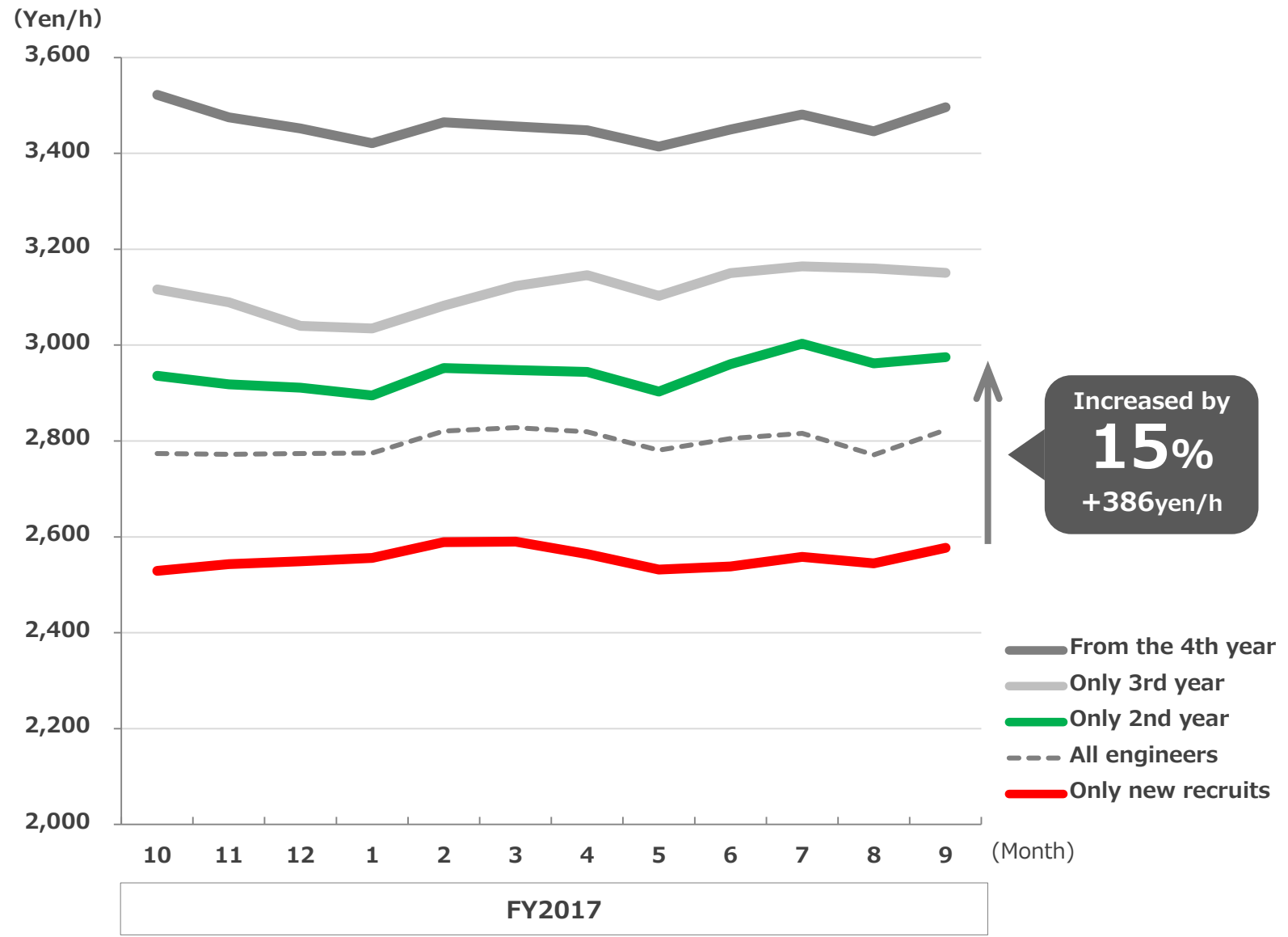
Unit Price of Temporary Staffing



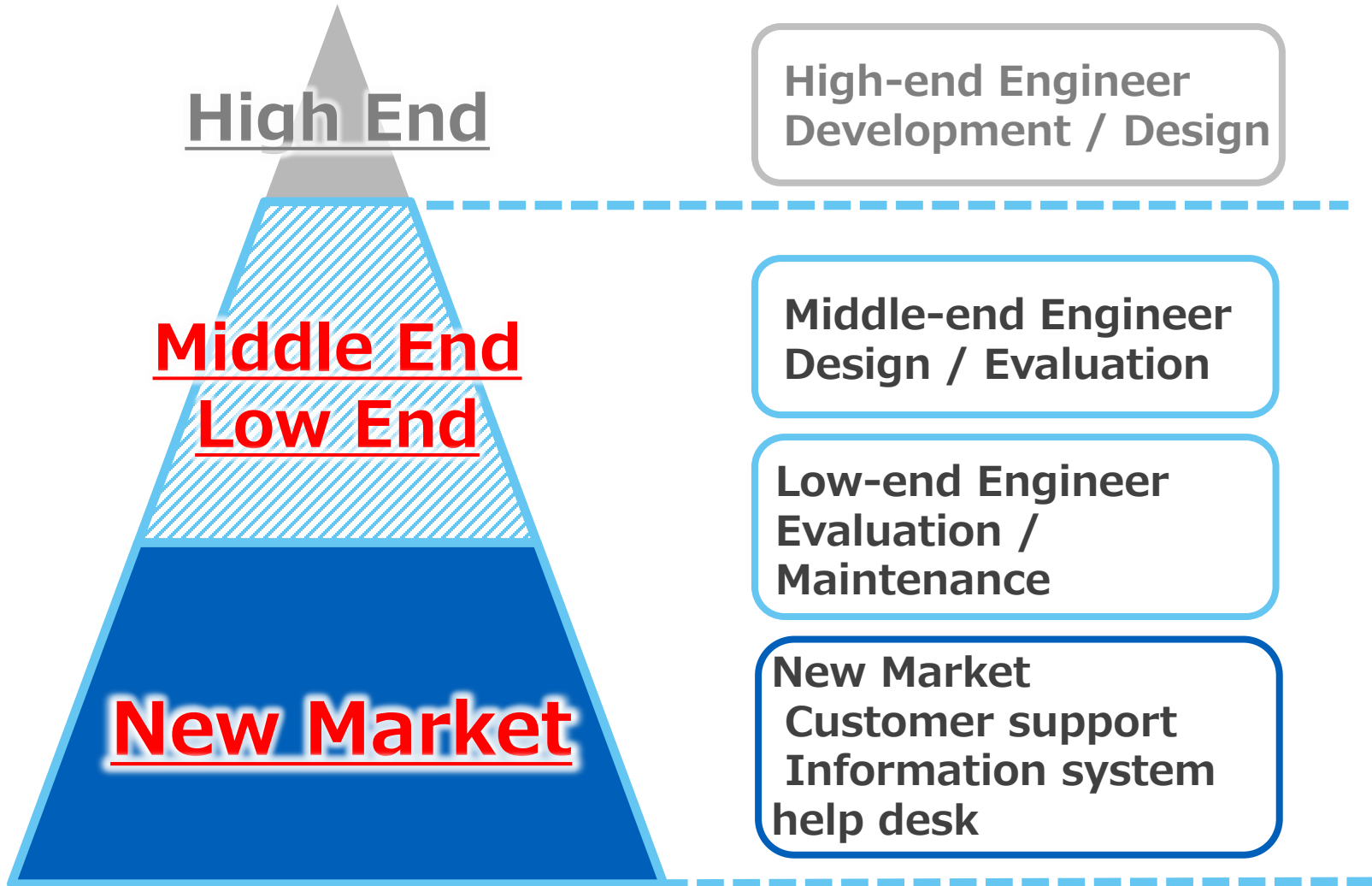
	12	3	6	9	12	3	6	9	12	3	6	9	12	3	6	9	12	3	6	9	(month)								
	FY2011				FY2013				FY2014				FY2015				FY2016				FY2017				FY2018				
All (Q1-Q4)	¥2,701				¥2,590				¥2,569				¥2,644				¥2,706				¥2,797				¥2,890				
	YoY				▲4.1%				▲0.8%				+2.9%				+2.3%				+3.4%				+3.3%				

Unit Price of Temporary Staffing by Length of Service

Unit price significantly increases in accordance with their experiences



Engineer temporary staffing



New Dispatch Area

Differentiation by “Stable employment” + “Selection and concentration”



General dispatch

Regular employee	Employment Status	Registered type
Manufacturing · IT specialized	Dispatched Industry	Covers many industries
Young people · women · foreigners	Characteristics of human resources	20 to 40 generations
Pioneering unique areas	Dispatch area	—

Specialized in Manufacturing Industry and IT Industry

Machine

**Electric and
electronic**

IT

Chemical

Customer example

Mechanical system	Electrical and electronics	IT system	Chemical system
Nissan Motor	ABLIC	Softbank Technology	DIC
Fuji Xerox	Mitsubishi Electric	KDDI	Sumitomo Rubber Industries
The Japan Steel Works	SHARP	transcosmos	Asahi Kasei Chemicals

**Customer : Network covering nationwide ×
Providing a wide variety of technologies**

Stability not depending on specific companies / industries

Net Sales Composition Ratio

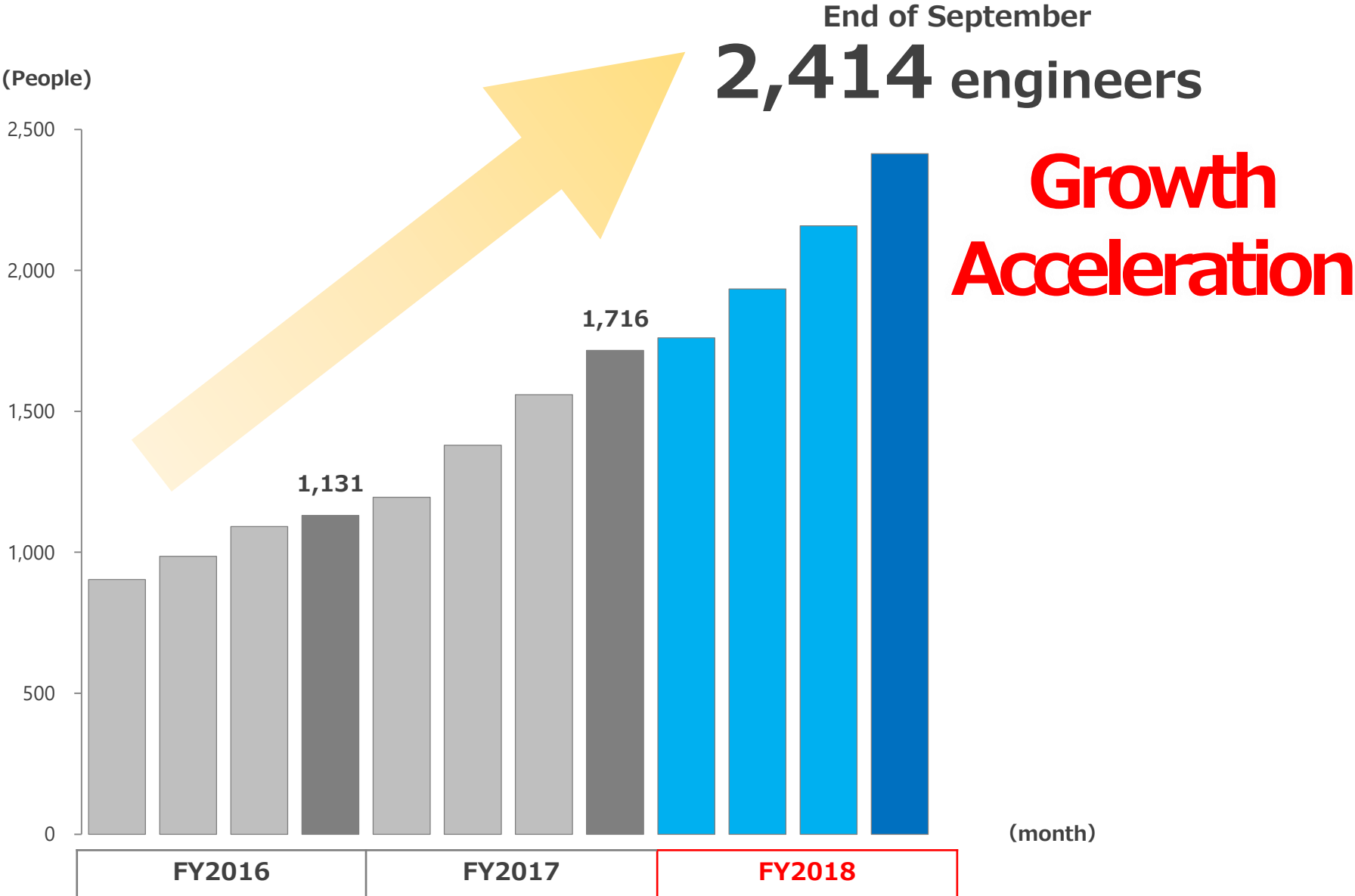
order	FY2015	Compo-sition ratio	FY2018	Compo-sition ratio
1	ABLIC	4.2	Yokogawa Solution Service	2.4
2	Daido Signal	2.6	Tokyo Electron Technology Solutions	2.3
3	Yokogawa Solution Service	2.5	NISSAN MOTOR	2.2
4	Nissan Motor	2.3	PERSOL PROCESS & TECHNOLOGY	2.0
5	Softbank Technology	2.0	ABLIC	1.9
	Top 5 companies total	13.6	Top 5 companies total	11.0
	Top 10 companies total	22.9	Top 10 companies total	19.4

Number of trading companies

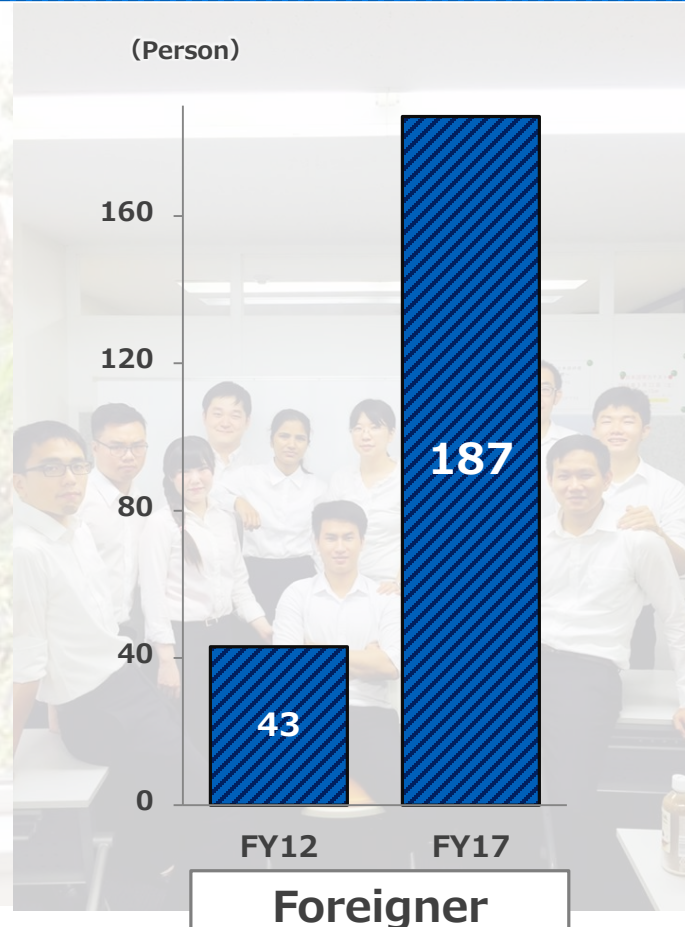
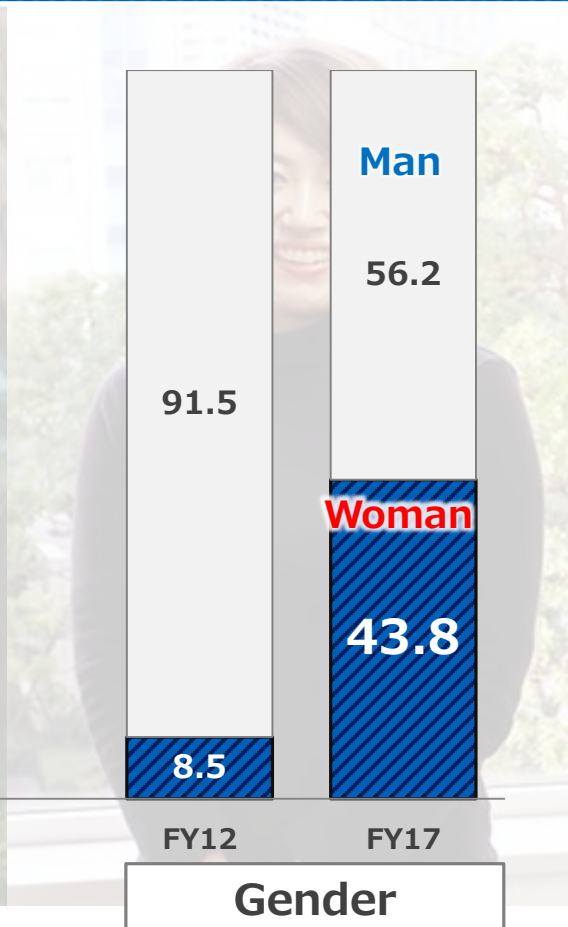
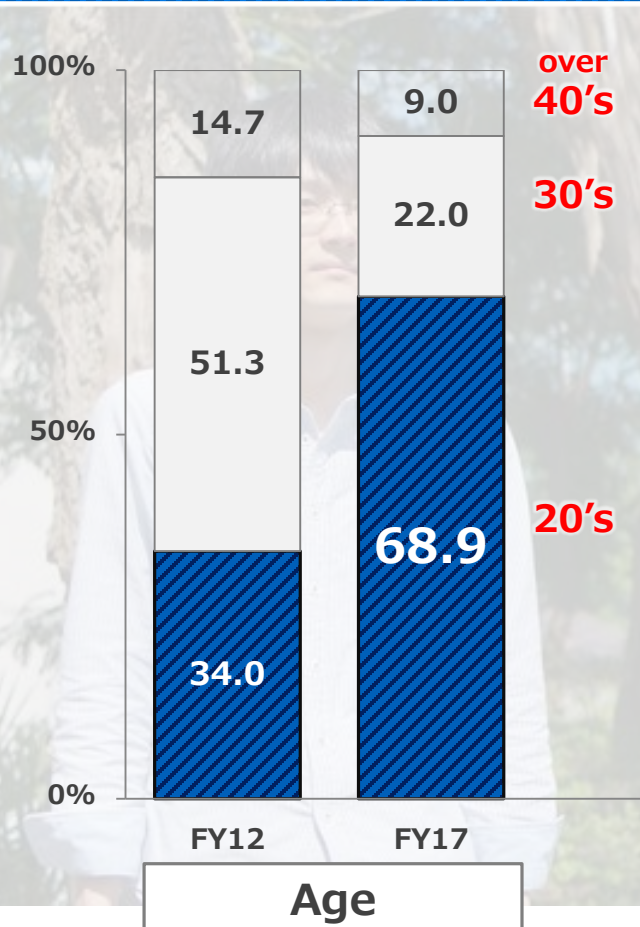
FY2015
About
300 Companies

FY2018
About
670
Companies

Change in Number of Engineers

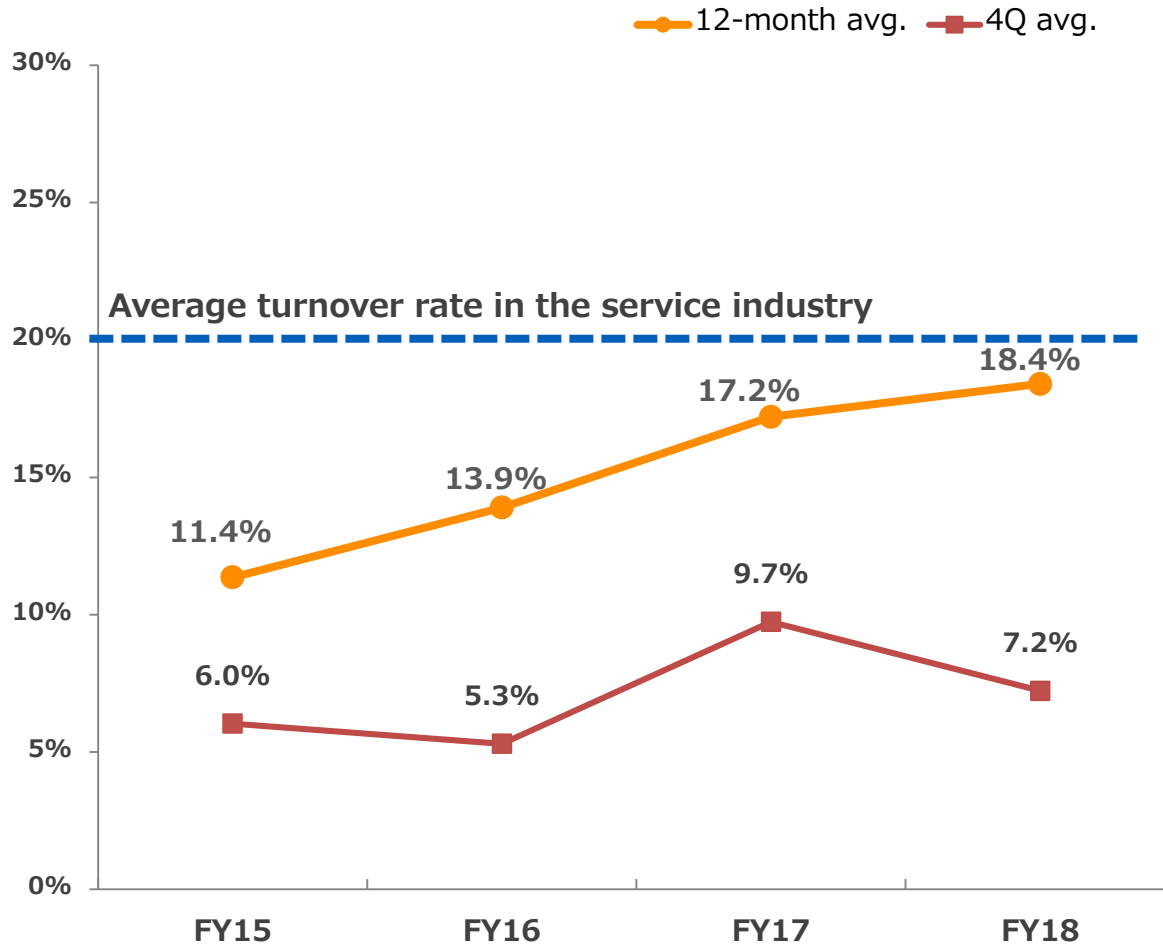


Growth potential of Young People · Women · Foreigners



Retention Rate

■ Retention rate has been below the average despite a slight increase in the utilization rate due to active recruitment.



FY2018 (Oct – Sep)
12-month avg.
18.4%

+1.2pt

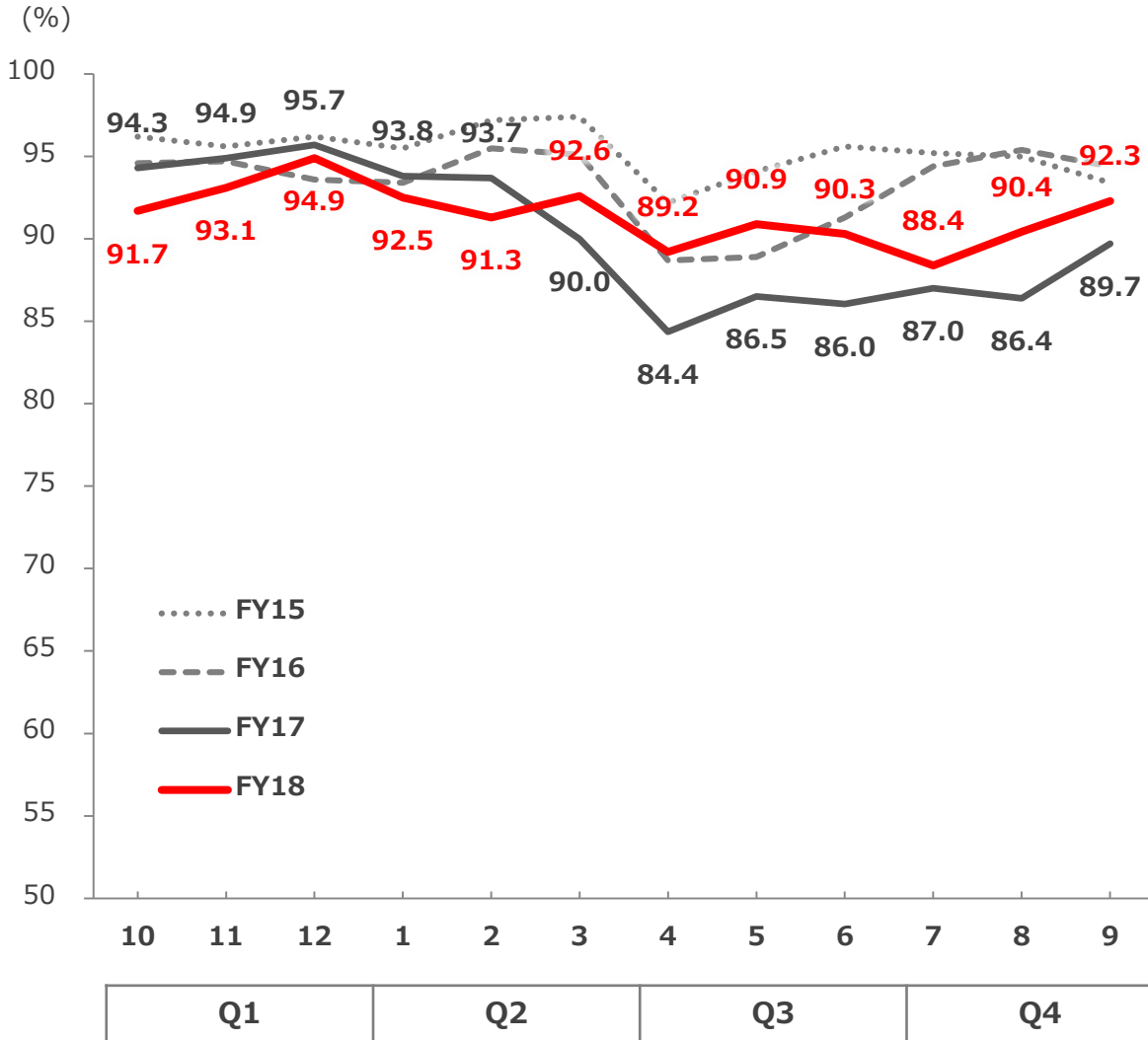
FY2017 (Oct – Sep)
12-month avg.
17.2%

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

*Source: 2015 Survey on Employment Trends, Ministry of Health, Labour and Welfare

Utilization Rate

■ Utilization rate increased as a result of active sales promotion despite an increase in the number of recruits



Utilization rate
12-month avg. (Oct - Sep)

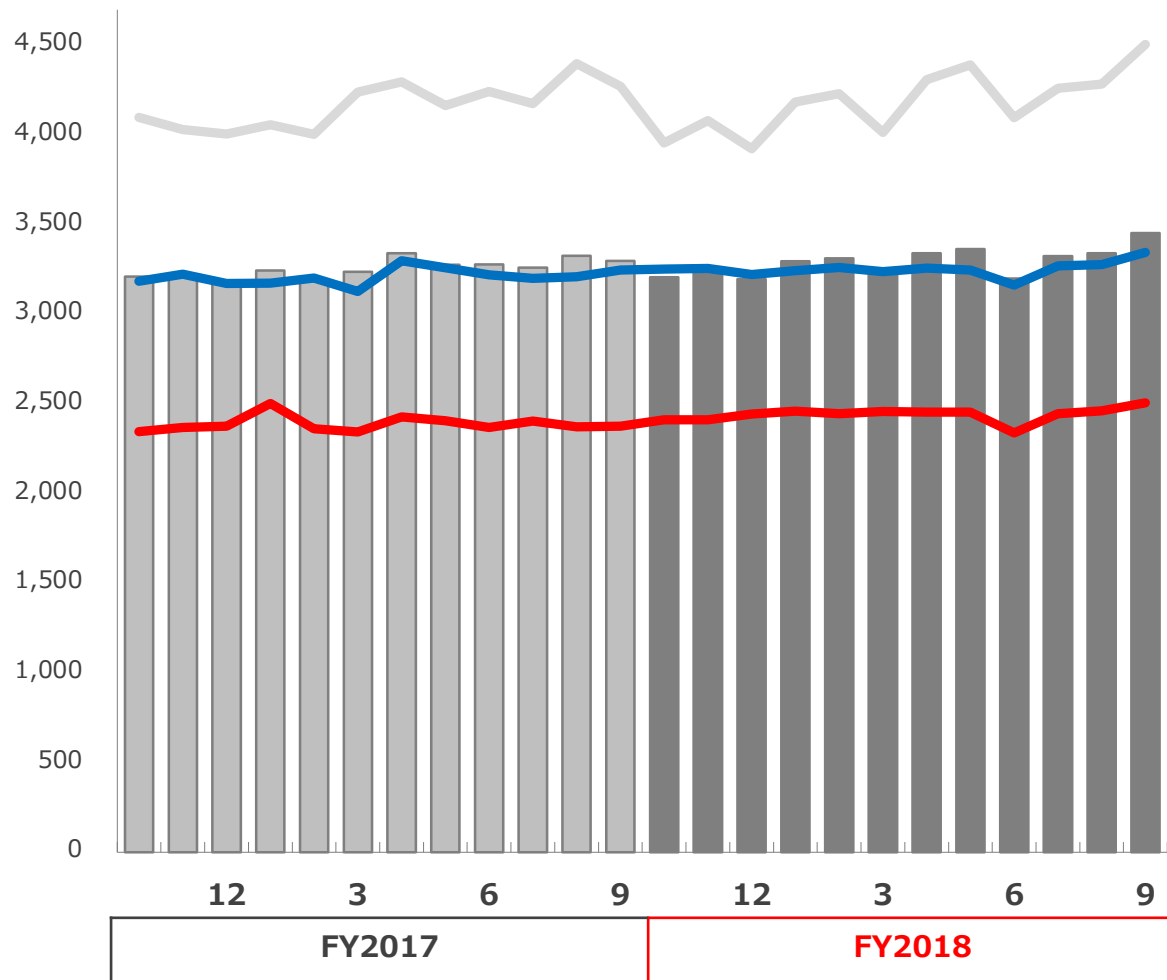
FY15	95.3%	
FY16	93.3%	▲2.0pt.
FY17	90.2%	▲3.1pt.
FY18	92.6%	+2.4pt.

*Utilization rate = Number of active engineers/Number of engineers target (including those targeted for training)

Unit Price of Temporary Staffing

■ Moderate upward trend in the unit prices of middle-end, low-end, and new markets, which account for 96% of the total

(Yen/h) ■ Average ■ Hi-end ■ Middle-end ■ New market



New markets

FY2018 (Oct – Sep)
12-month avg.
2,442 yen

+2.2%

FY2017 (Oct – Sep)
12-month avg.
2,389 yen

Middle-end/Low-end engineers

FY2018 (Oct – Sep)
12-month avg.
3,254 yen

+1.3%

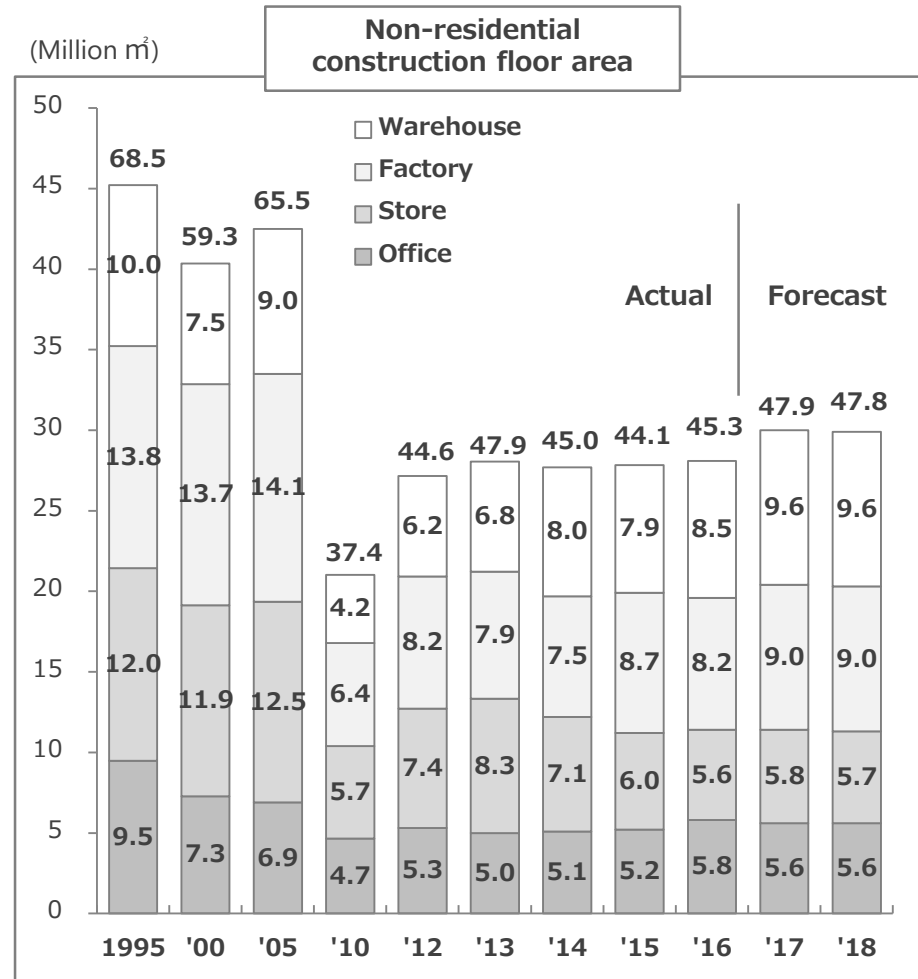
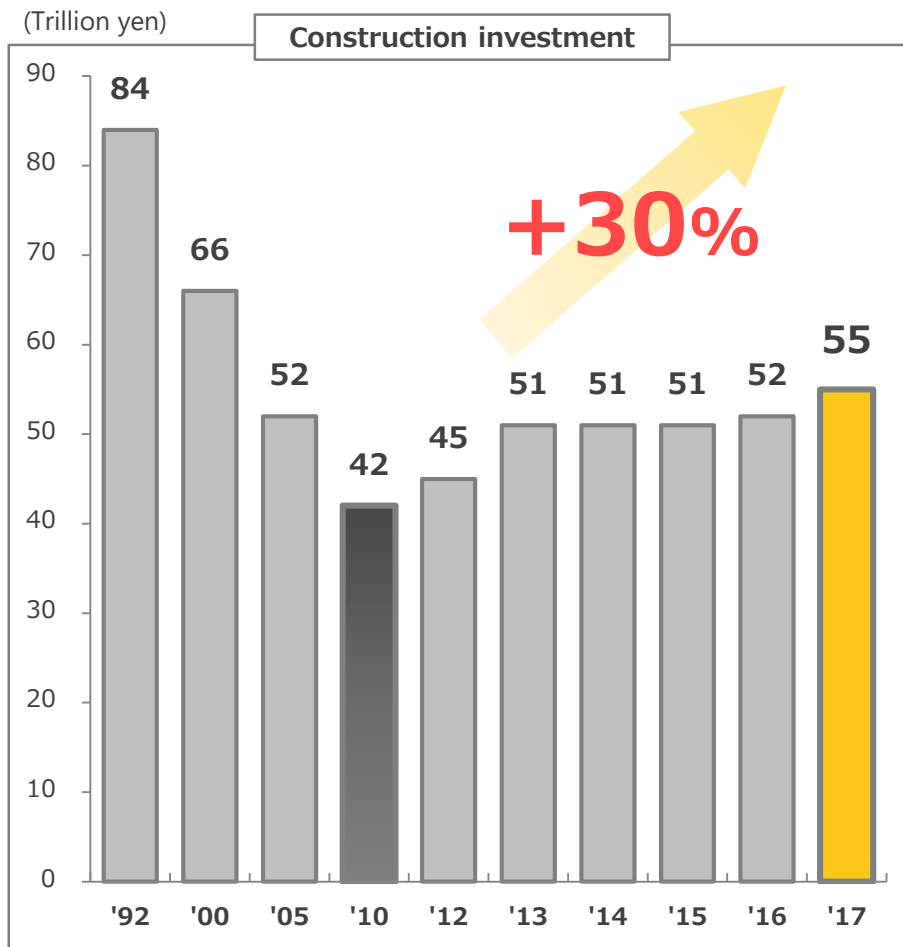
FY2017 (Oct – Mar)
6-month avg.
3,211 yen

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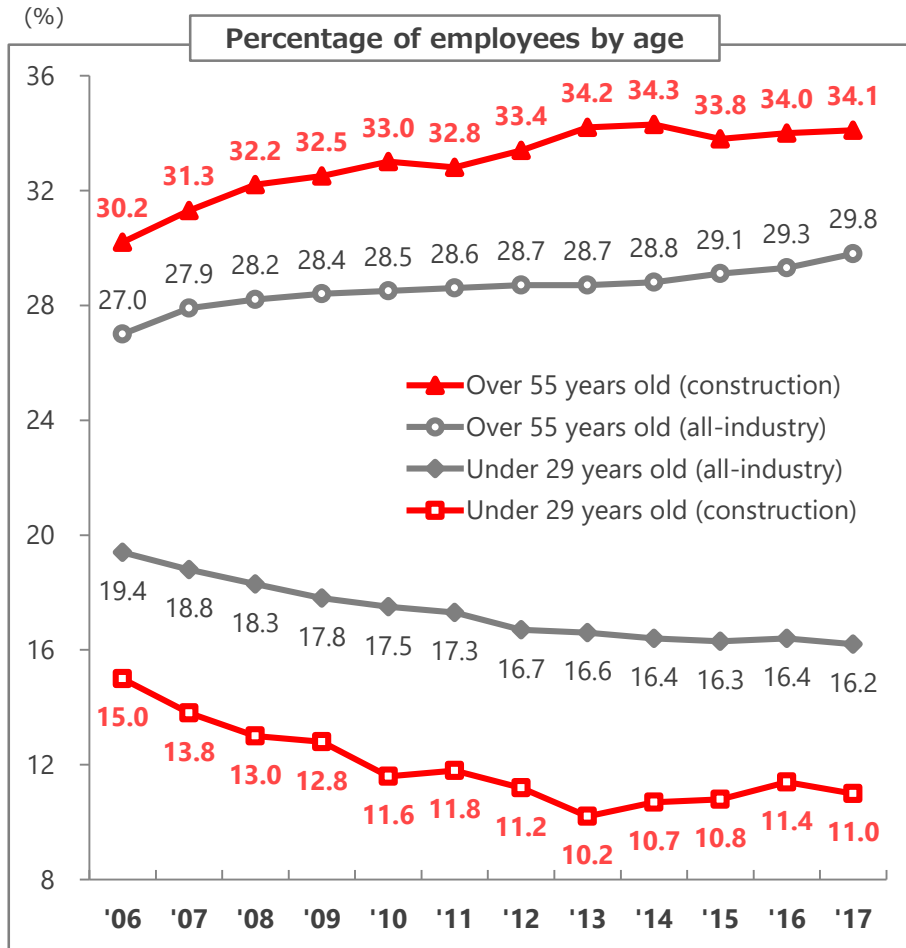
Construction Investment and Non-residential construction floor area

- Construction investment is increasing after hitting the bottom in 2010 → 30% growth in fiscal 2017

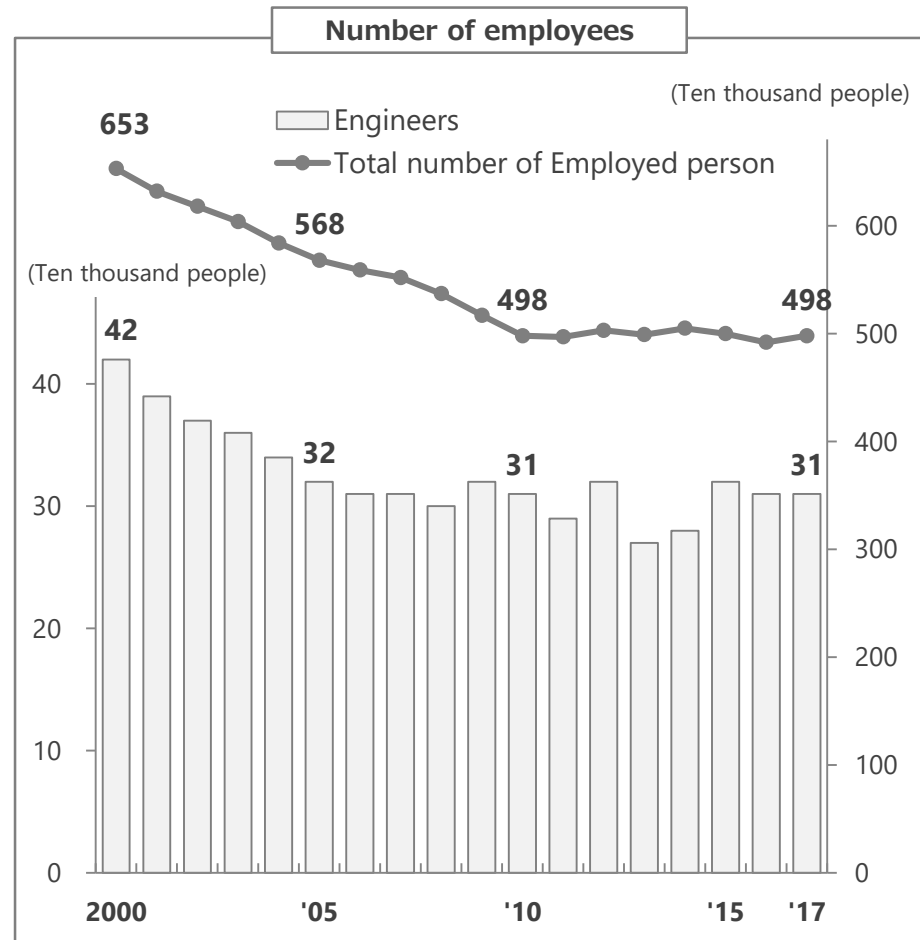


Percentage by Age and Number of employees

- Aging rapidly in the construction industry compared with overall industry → 1 in 3 workers are over 55 years old
- Number of workers in the construction industry decreased by 2 million people in 15 years



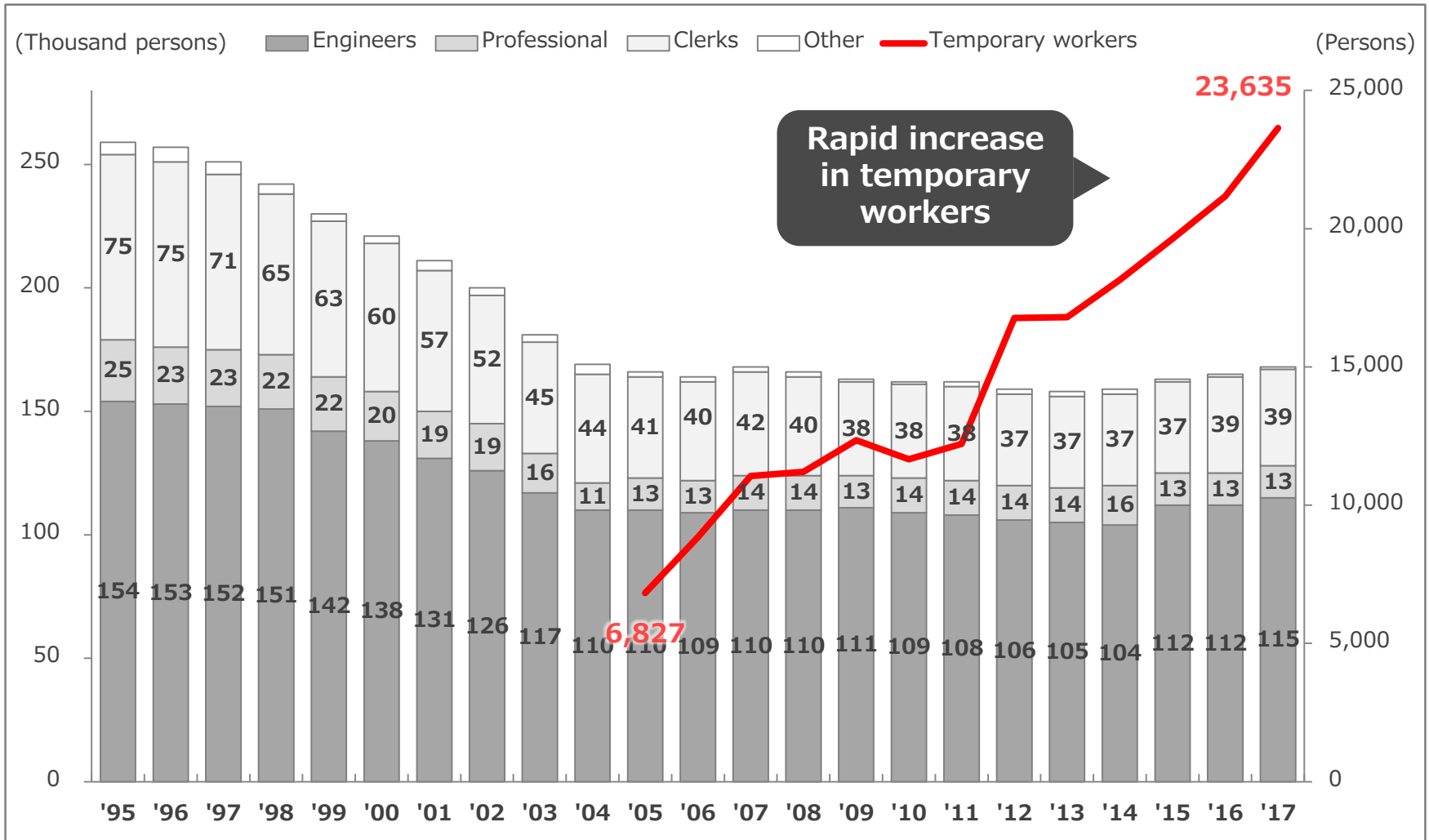
Source: Labor Force Survey, MIC



Source: Construction Handbook 2013, Japan Federation of Construction Contractors (JFCC)

Number of Employees at Major Construction Companies

- Employees at major construction companies decreased by about 100 thousand people in 15 years
- Temporary workers increased by about 40% since 2011 → Actively uses temporary workers by curbing new hires



Source: Survey on the Actual Status of Construction Activities, Ministry of Land, Infrastructure, Transport and Tourism (MLIT) (Surveyed 56 major construction firms)

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 200 thousand people in 15 years

Aging workers

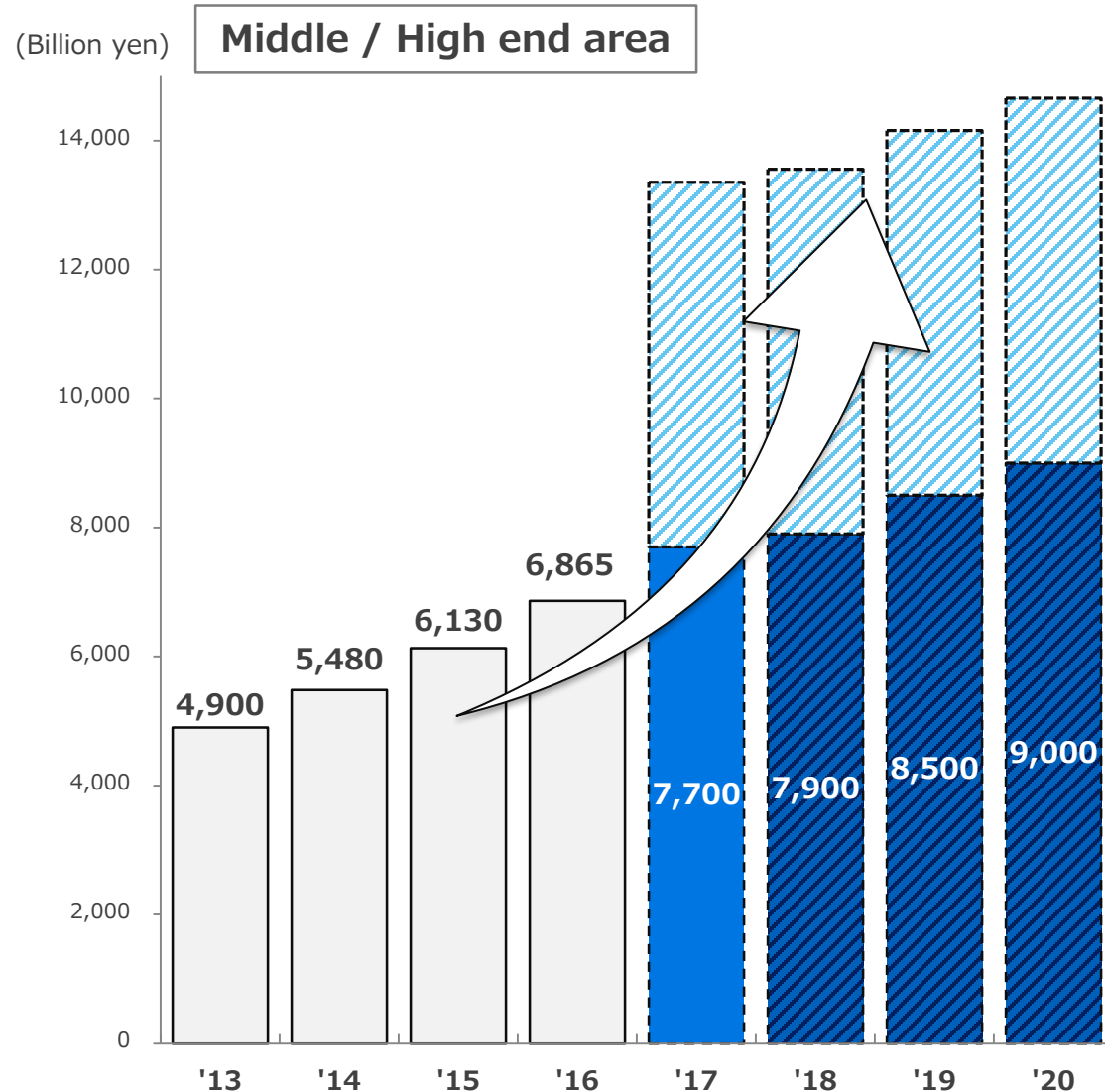
1 in 3 are over 55 years old

Recovery of construction demand

Potential for increase in special demand

Trends in the Scale of Dispatched Engineers

Engineer



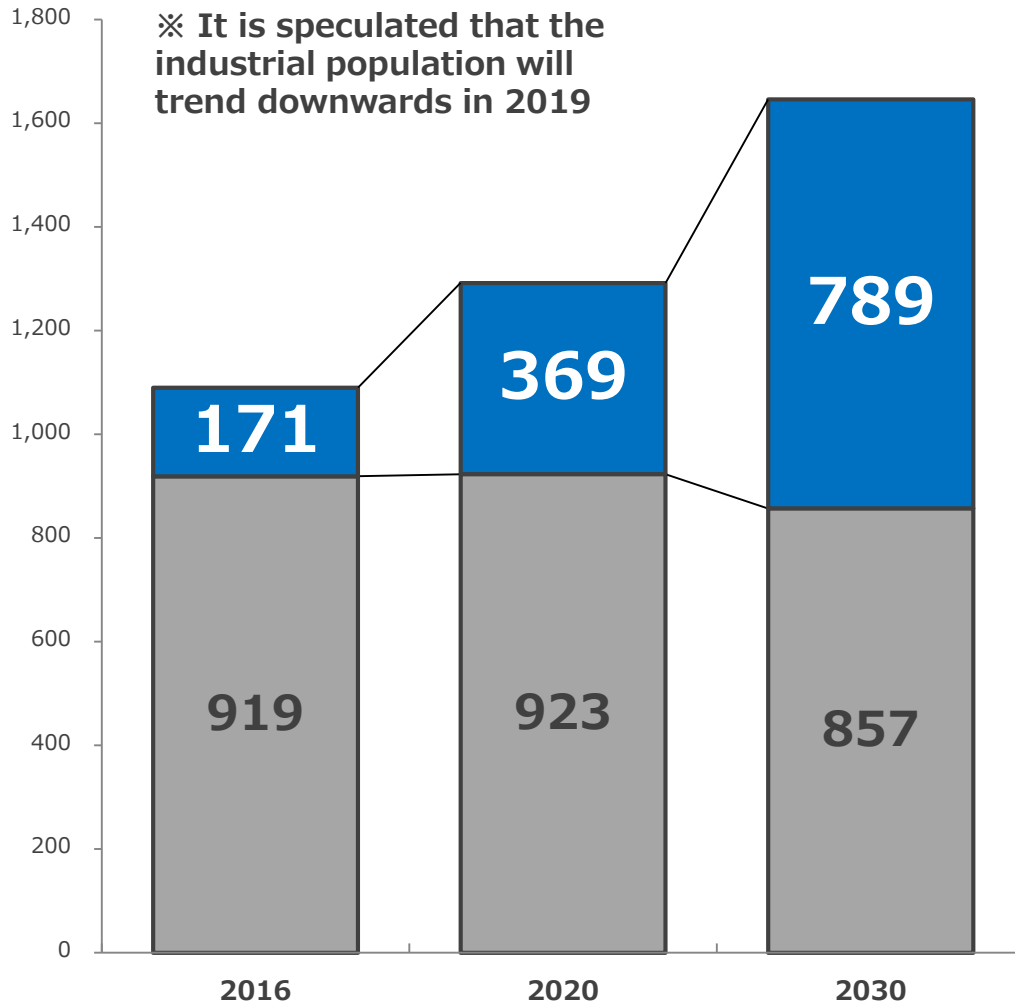
+New Market
**More
Expansion**

※ Reference material : Yano Research Institute "2017 Current status and outlook of human resource business "
Ministry of Health, Labor and Welfare "Worker dispatching business report"

Estimate on Supply and Demand of IT Human Resources (Japan)

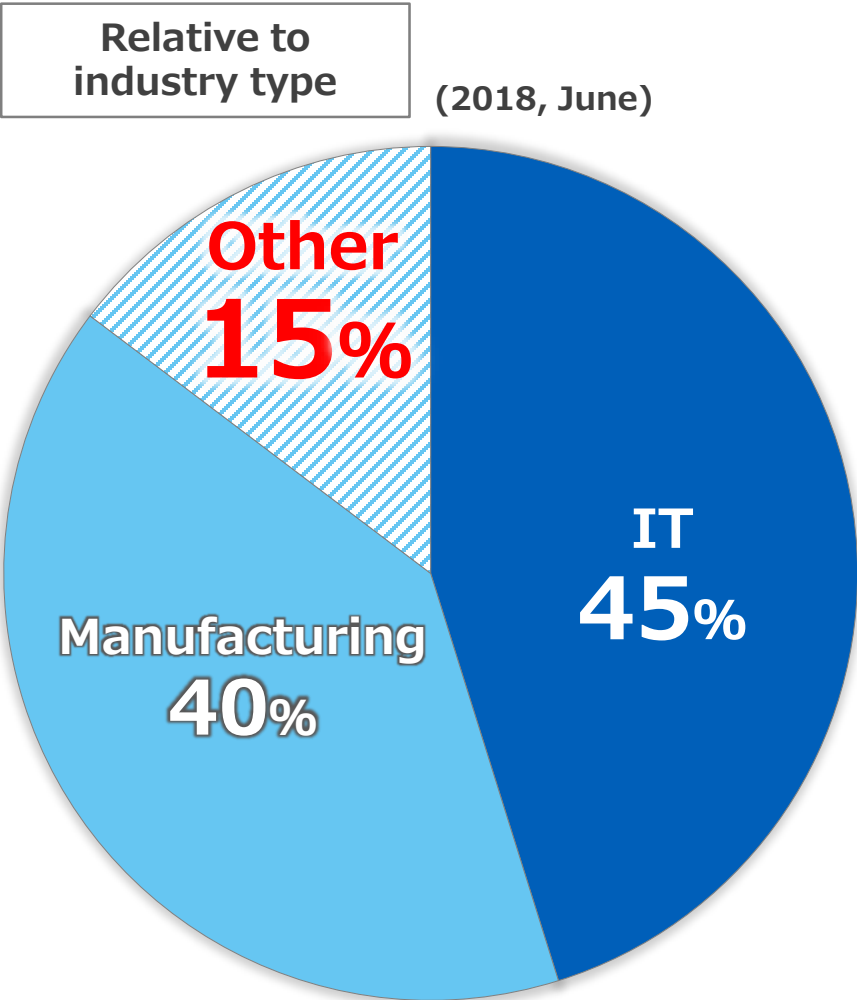
Engineer

(thousand People)



In 2030
789 thousand People
(**48%** of the total)
Shortage

Expansion of IT Human Resources Demand in Other Industries



<Other Industries>

- Service
- Finance
- Insurance
- Electrical
- Gas
- Water service
- Food
- Beverage
- Tobacco
- Wholesale
- Retail trade
- Real estate
- Education
- Medical
- Welfare
- Hotel

2017, June
12%



2018, June
15%

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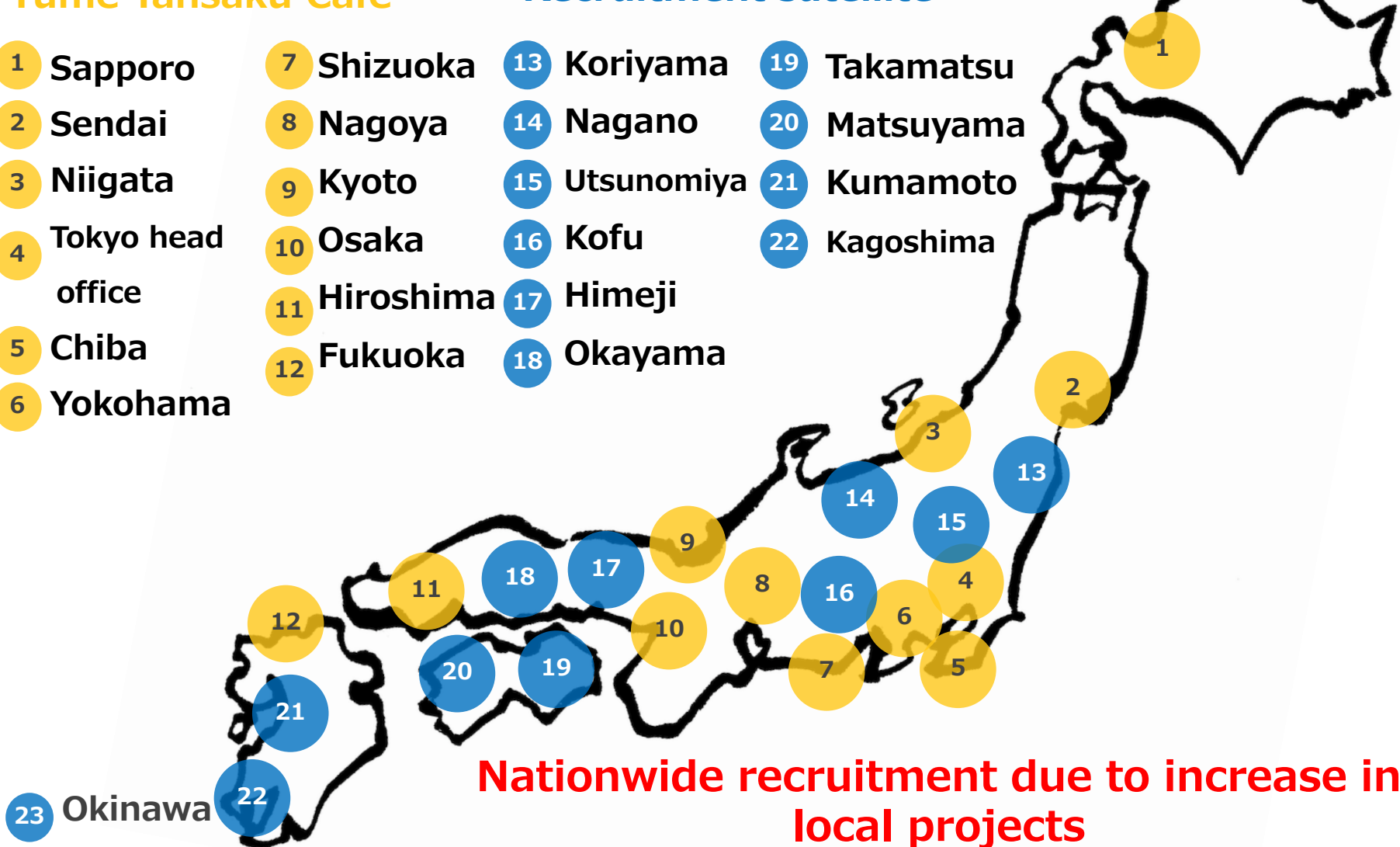
Engineer Recruitment Strategy

Construction Engineer
Temporary Staffing

Yume Tansaku Cafe

Recruitment satellite

- | | | | |
|---------------------|--------------|---------------|--------------|
| 1 Sapporo | 7 Shizuoka | 13 Koriyama | 19 Takamatsu |
| 2 Sendai | 8 Nagoya | 14 Nagano | 20 Matsuyama |
| 3 Niigata | 9 Kyoto | 15 Utsunomiya | 21 Kumamoto |
| 4 Tokyo head office | 10 Osaka | 16 Kofu | 22 Kagoshima |
| 5 Chiba | 11 Hiroshima | 17 Himeji | |
| 6 Yokohama | 12 Fukuoka | 18 Okayama | |



Nationwide recruitment due to increase in local projects

A café-style office for recruitment

採用専用の カフェスタイル

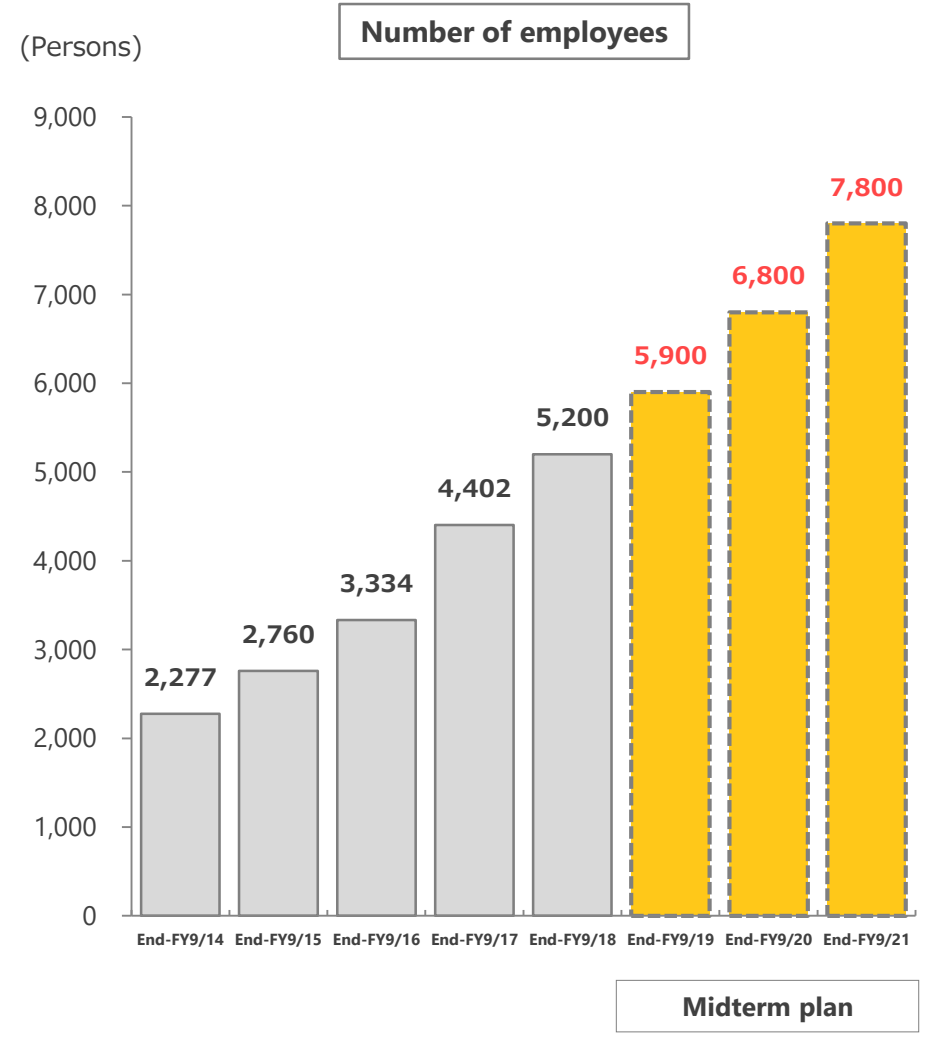
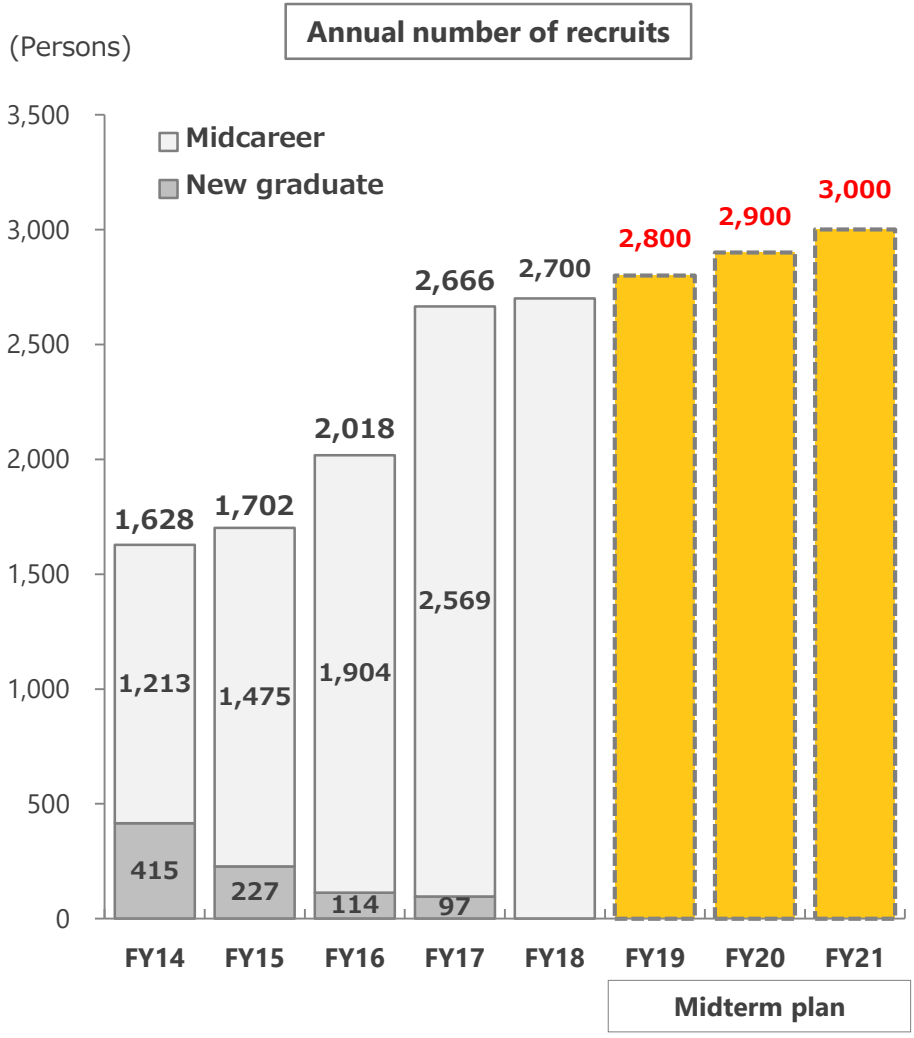


夢探索カフェ



Planned Recruitment of Engineers

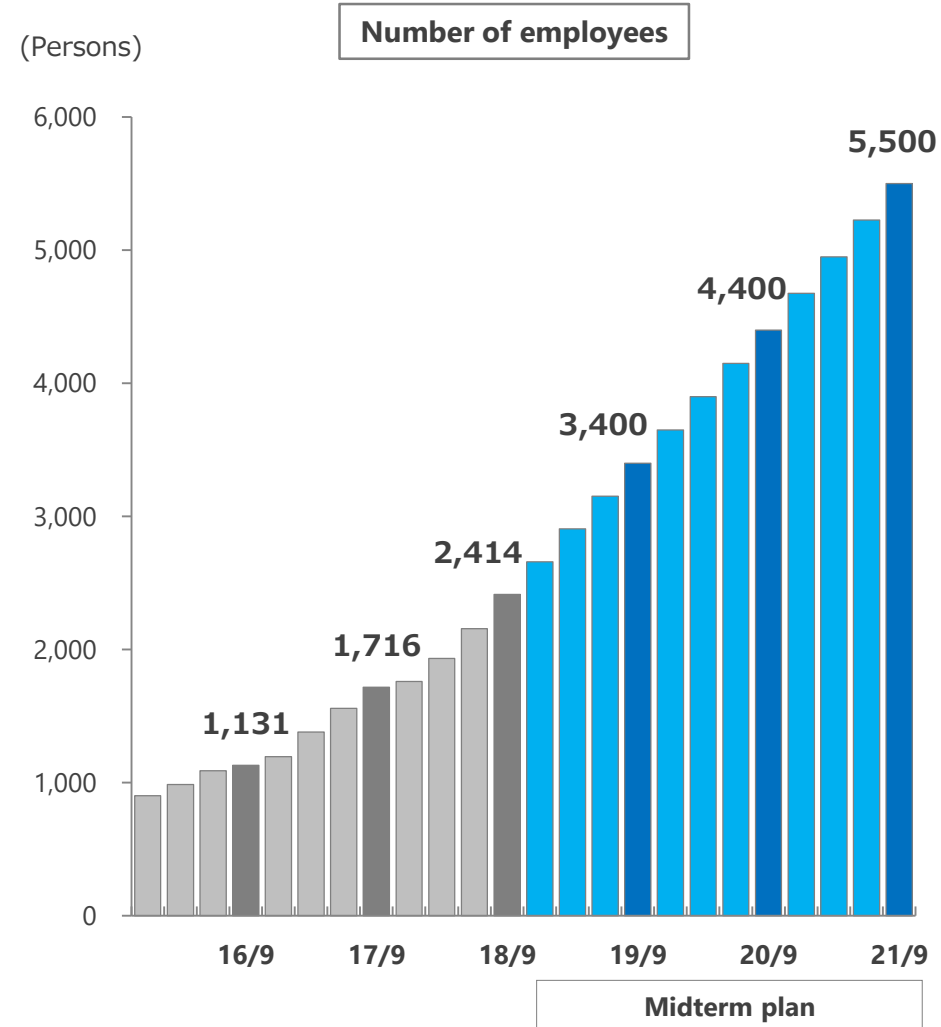
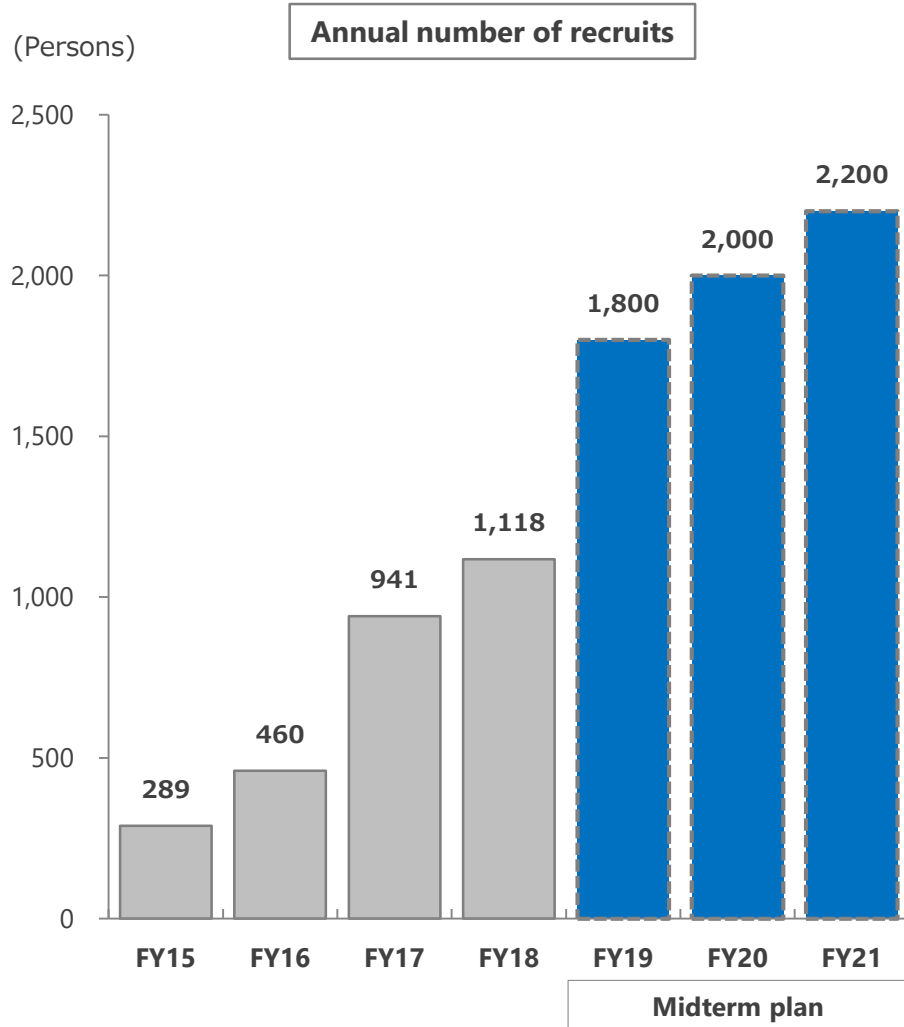
Hire more than 2,700 engineers every year to reach more than 7,800 engineers



Planned Recruitment of Engineers

Engineer

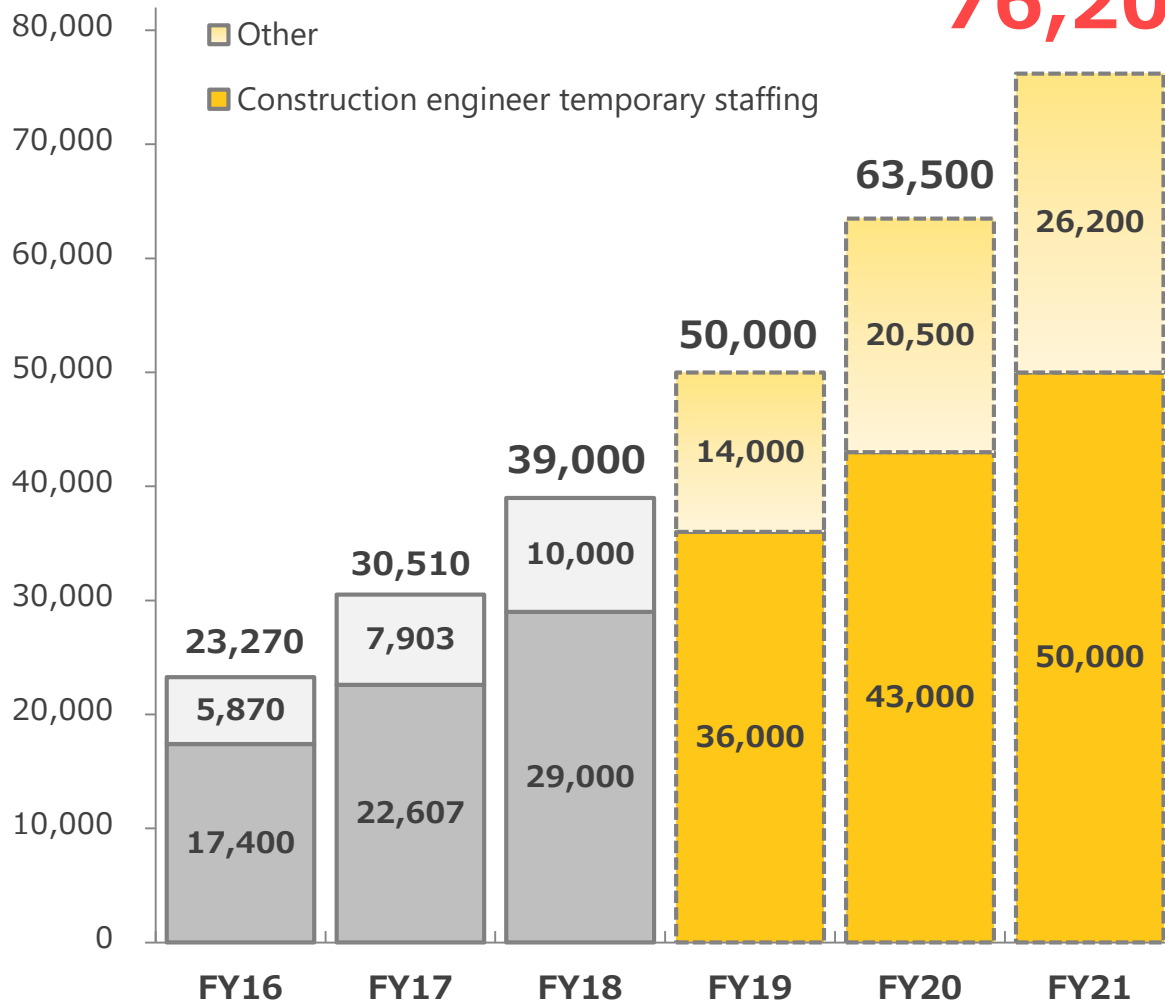
Hire more than 1,500 engineers every year to reach more than 5,500 engineers



Consolidated Net Sales Plan

Construction engineer temporary staffing is the driver of growth

(Million yen)



76,200

3.3x

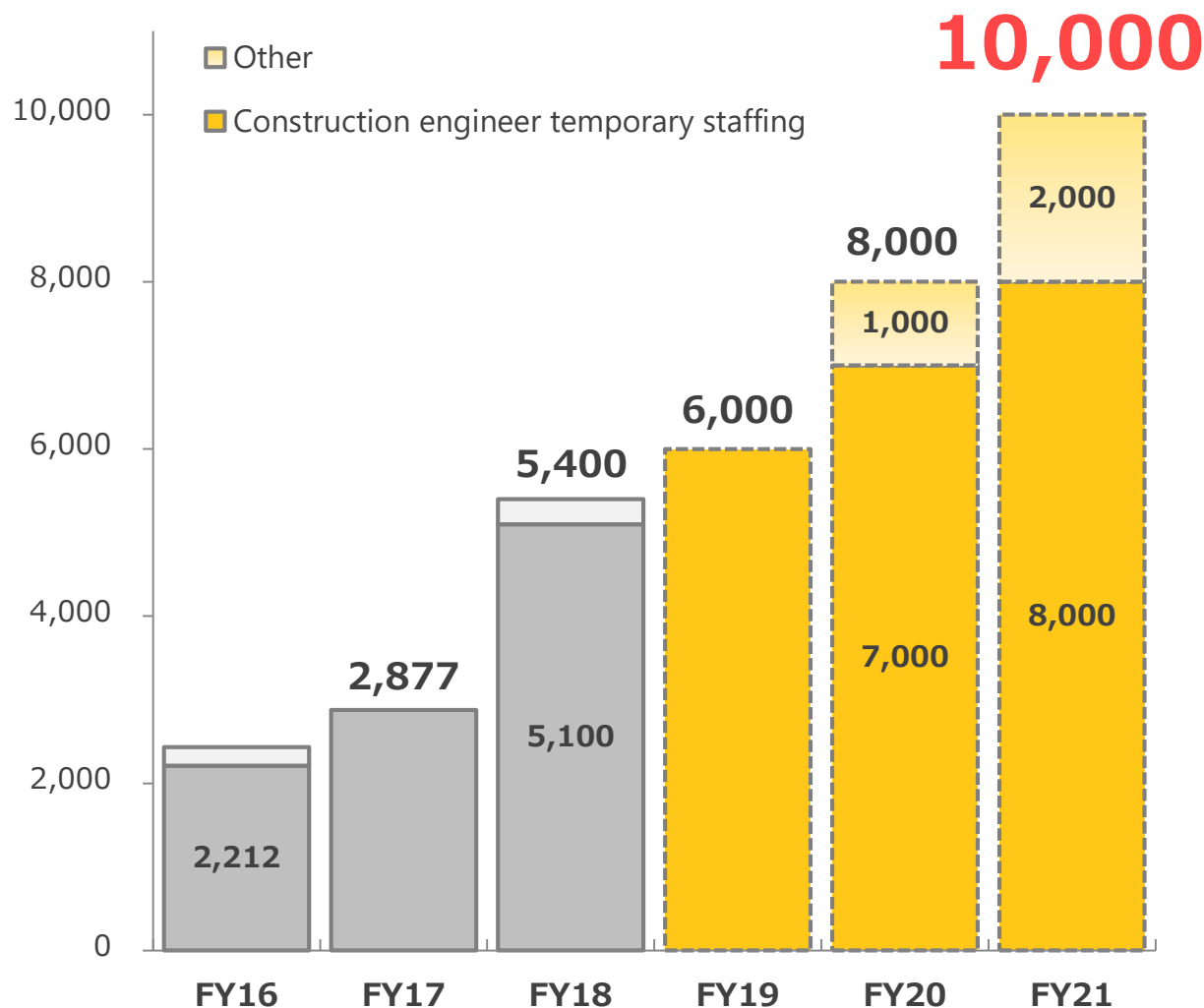
in 5 years time

Midterm management plan

Consolidated Op Income Plan

Construction engineer temporary staffing is the driver of growth

(Million yen)



10,000

4.5x

in 5 years time

Midterm management plan

Medium-Term Management Plan

(Million yen)

Consolidated	FY2018	FY2019	FY2020	FY2021
Net Sales	40,419	50,000	63,500	76,200
Op Income	5,186	6,000	8,000	10,000
<i>Op Margin</i>	<i>13.8%</i>	<i>12.0%</i>	<i>12.6%</i>	<i>13.1%</i>
Net Income	3,635	4,100	5,400	6,800
EPS (yen)	48.75	54.98	70~	90~

Construction engineer temporary staffing

(Million yen)

Net Sales	29,609	36,000	43,000	50,000
Op income	4,980	6,000	6,800	7,800

Medium-term Management Plan

Engineer

(Million yen)

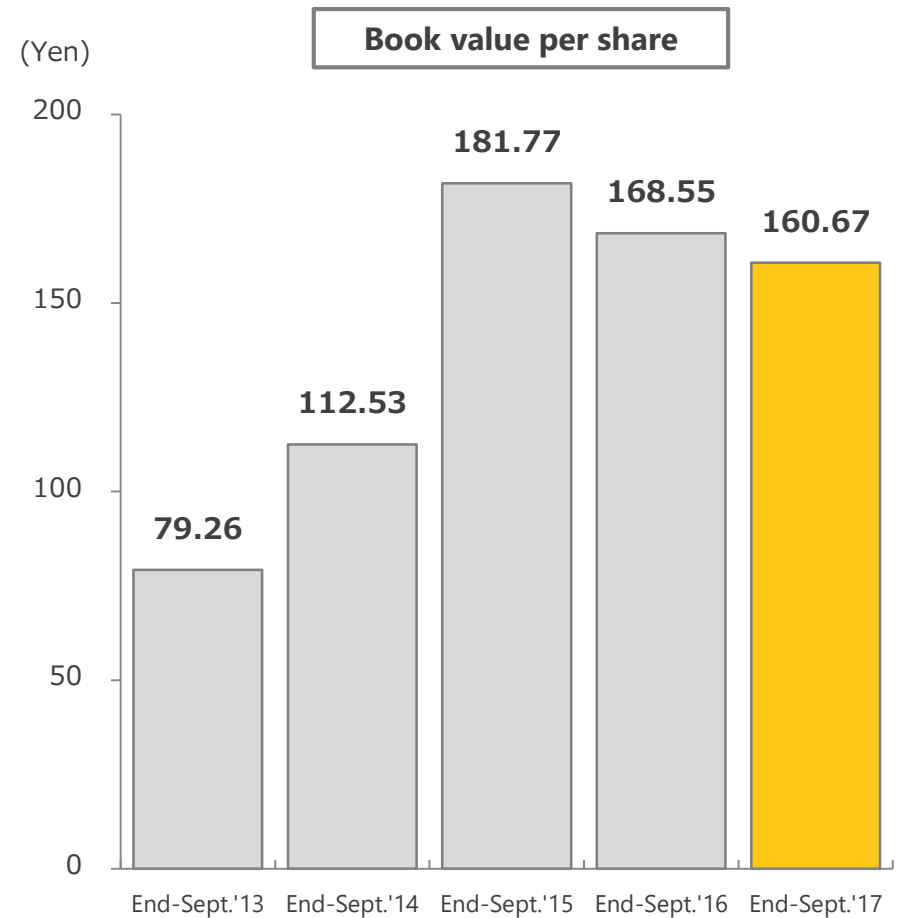
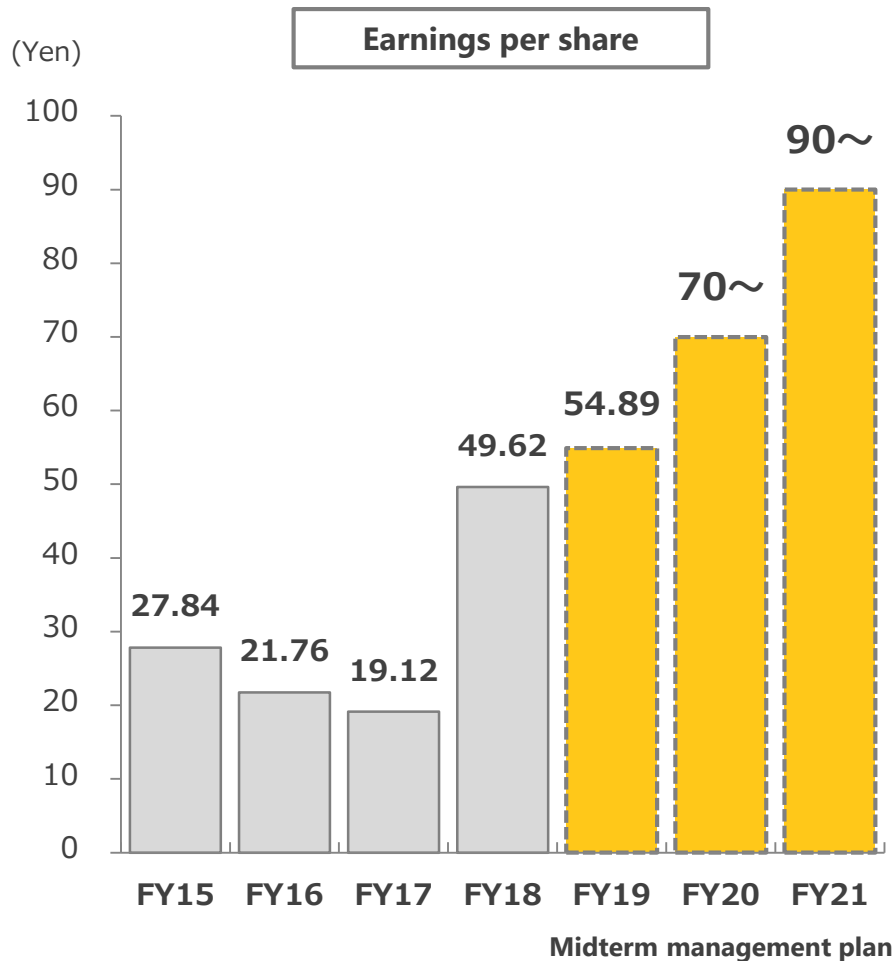
	FY2018	FY2019	FY2020	FY2021
Net Sales	10,380	13,000	19,500	25,000
Operating income	442	0	1,000	1,800
Net income	274	0	700	1,200
Number of recruits during the year	1,118 Persons	1,800 Persons	2,000 Persons	2,200 Persons
Number of enrolled engineers	2,414 Persons	3,400 Persons	4,400 Persons	5,500 Persons

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Earnings/Book Value Per Share

EPS expects to be quadrupled in 4 years; Steady increase in BPS

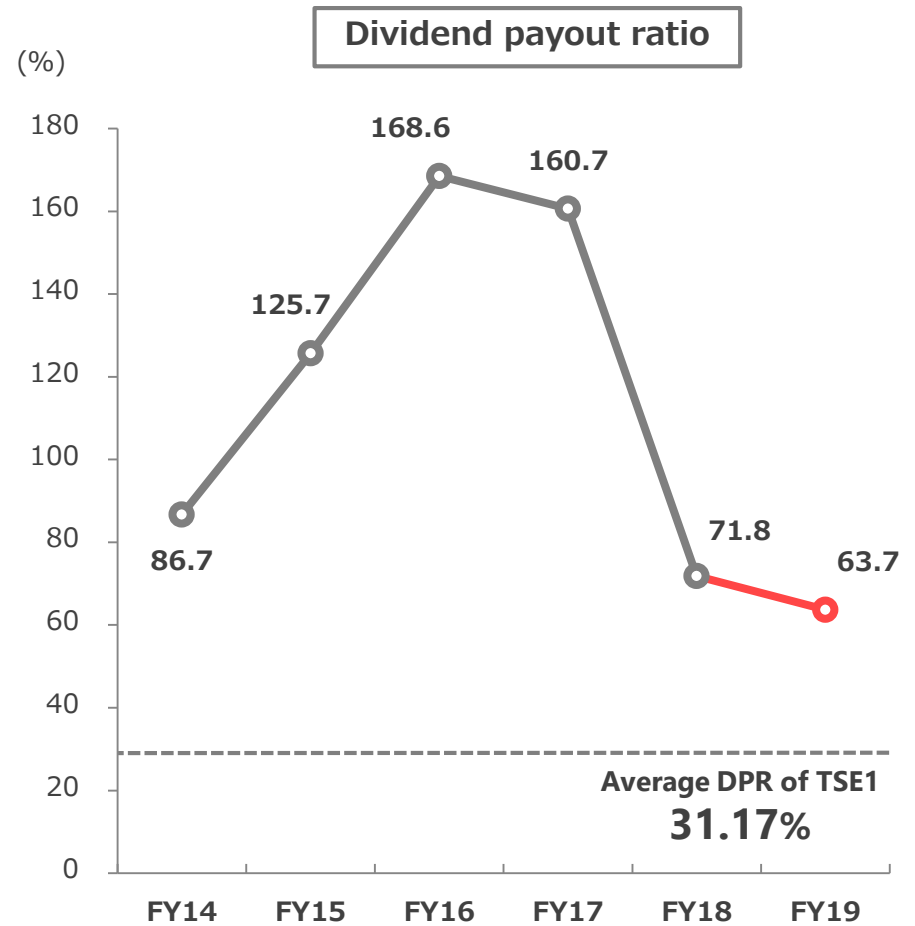
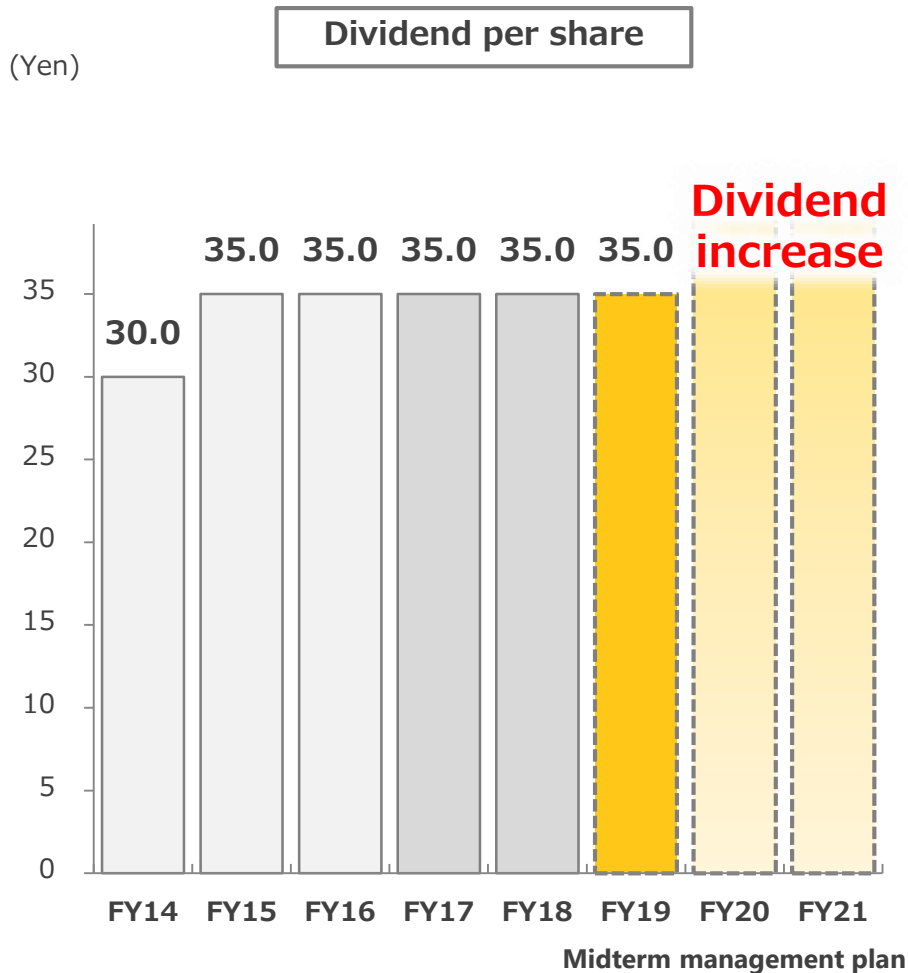


*1. EPS = Net income (Shares outstanding - Average number of treasury stock during period) × 100

*2. BPS = Shareholders' equity ÷ (Shares outstanding - Number of treasury stock at end of year) × 100

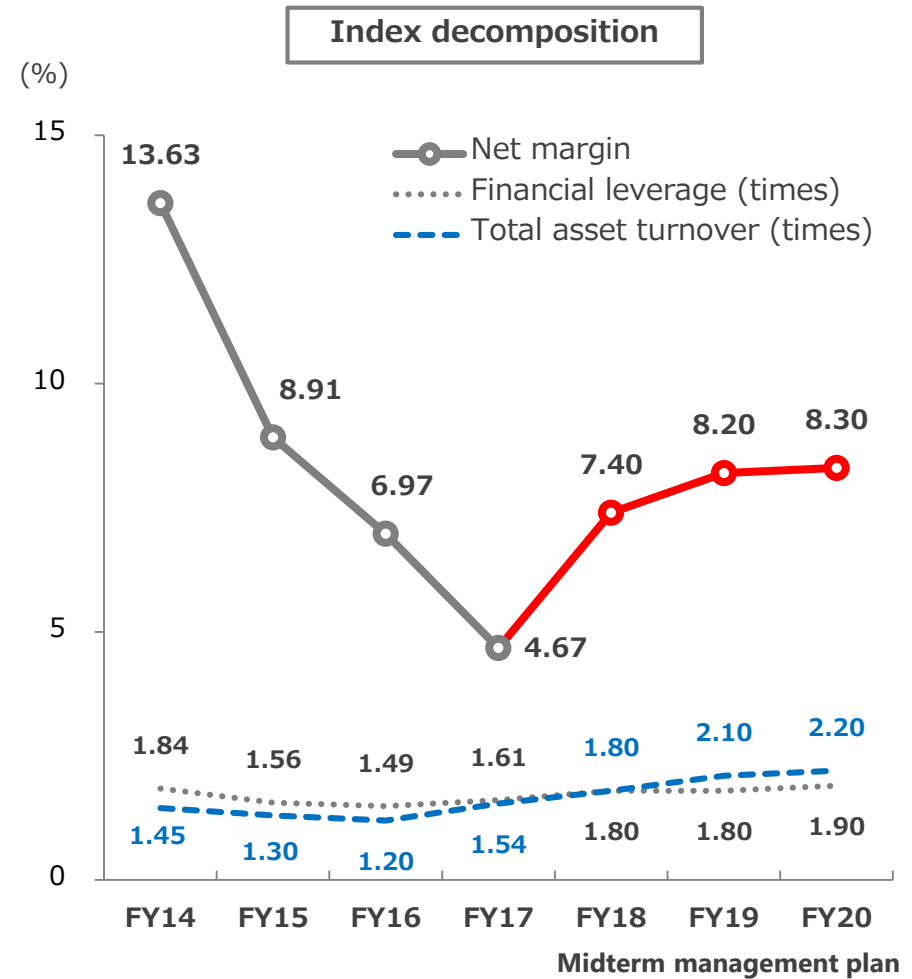
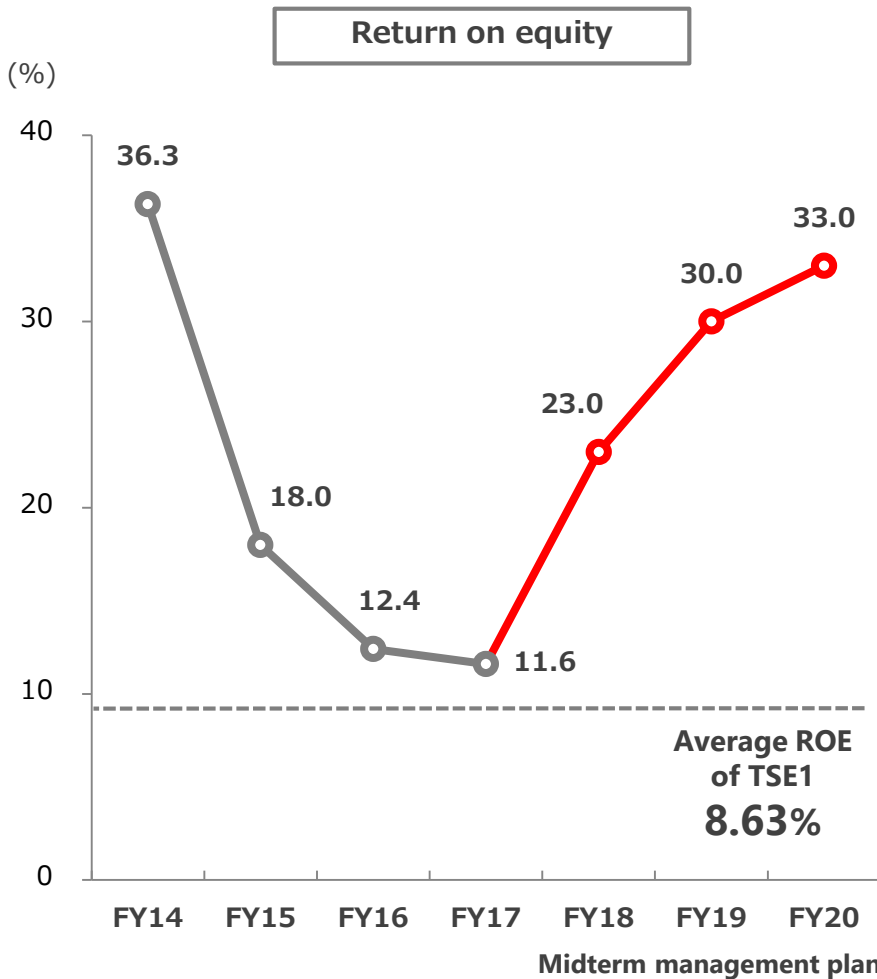
Dividend Per Share

Plan to increase dividend every year aiming for 100% payout ratio



Return on Equity

Maintain over 30% of ROE → Due to increase in net income ratio



- *1. Return on equity = Net income ÷ Shareholders' equity (average during period) × 100
- *2. Financial leverage = Net asset (average during period) ÷ Shareholders' equity (average during period)
- *3. Total asset turnover = Net sales ÷ Net asset (average during period)
- *4. Overall industry and service industry belong to the TSE 1st Section

Executives

Director

7 (Outside:2)

Auditor

3 (Outside:2)

Total

10

(As of Dec. 31, 2017)

Chairman and Representative Director

Shingo Sato

Born on Mar. 14, 1947 18,425,440shares

President and Representative Director

Daio Sato

Born on Nov. 25, 1983 5,600shares

Senior Managing Director

Yoshikiyo Sato

Born on Apr. 22, 1963

Director

Masato Kusahara

Born on Jan. 2, 1950 17,000shares

Director

Yusaku Soeda

Born on June. 23, 1983

Outside Director

(Independent executive)

Tomohiro Sakamoto

Born on Dec. 17, 1962 Sakatomo Law Office (Present post)

Outside Director

(Independent executive)

Miki Oda

Born on Jan. 15, 1973 FinanTec Co., Ltd. (Director)

Outside Auditor

(Independent executive)

Hirobumi Takahashi

Born on Sep.1, 1939 4,000shares

Outside Auditor

(Independent executive)

Hiroaki Rokugawa

Born on June 10, 1963

OGASAWARA KONNO & ROKUGAWA (Present post)

Auditor

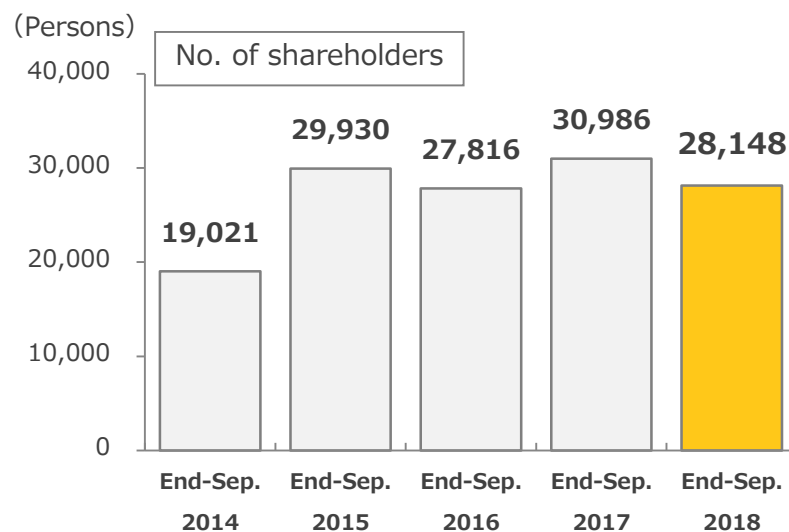
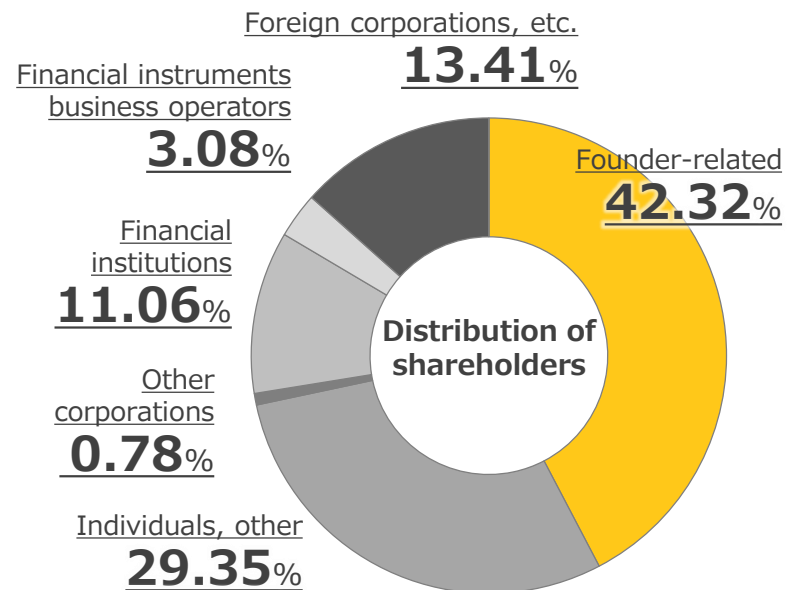
Yukio Matsumoto

Born on Mar. 7, 1948

Reference (2) Shareholders Situation

As of Sep. 30, 2018

	Name of shareholders	No. of shares held (in thousands)	Ownership ratio (%)
1	Shingo Sato	18,425	24.70
2	Sato Sogo Kikaku	12,444	16.69
3	Japan Trustee Services Bank	3,324	4.46
4	The Master Trust Bank of Japan	3,150	4.22
5	Goldman Sachs International	964	1.29
6	Hideki Fukai	880	1.18
7	Trust & Custody Services Bank	691	0.93
8	Yoshiko Sato	688	0.92
9	MSIP Client Securities	569	0.76
10	JPMC Goldman Sachs	550	0.74
Total of top 10 largest shareholders		41,971	56.28



*Number of shares outstanding = 74,573,440 shares
 Treasury stock = 86 shares

Disclaimer

These materials were prepared based on information available to the company and on certain assumptions deemed to be reliable but the company makes no guarantees regarding the accuracy of the information in these materials. The information may be incomplete or summarized. The prices and figures stated in these materials are past results, estimates or forecasts and may differ from the actual figures.

These materials do not represent promises regarding future results. Readers assume responsibility for the use of information in these materials and the company assumes no responsibility whatsoever as a result of the use of the information in these materials. Readers are asked to make investment decisions at their own discretion.



JASDAQ

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