

Consolidated Results Third Quarter Fiscal Year 2015

February 2nd, 2015



Prestige International Inc.
Security Code:4290

Consolidated Results for FY2015 Q3

FY2015 Q3 Consolidated Results Operations



- Proactive hiring aimed at securing appropriate personnel/strengthening organizational structure
- Existing businesses, centered on Road Assistance, insurance BPO, drive growth

(million yen)

	FY2014 Q3 (actual)	FY2015 Q3 (actual)	Change	Change(%)	FY2015 (revised forecast)	Progress ratio (%)
Sales	16,212	17,727	+ 1,514	+ 9.3%	24,000	73.9%
Operating Profit	2,063	2,160	+ 96	+ 4.7%	3,000	72.0%
(per sales)	(12.7%)	(12.2%)			(12.5%)	
Ordinary Profit	1,914	2,131	+ 217	+ 11.3%	3,100	68.8%
(per sales)	(11.8%)	(12.0%)			(12.9%)	
Net Profit	1,445	1,420	- 24	- 1.7%	2,050	69.3%
(per sales)	(8.9%)	(8.0%)			(8.5%)	
Exchange rate (JPY)	105.39	120.55	-	-	103.2	-

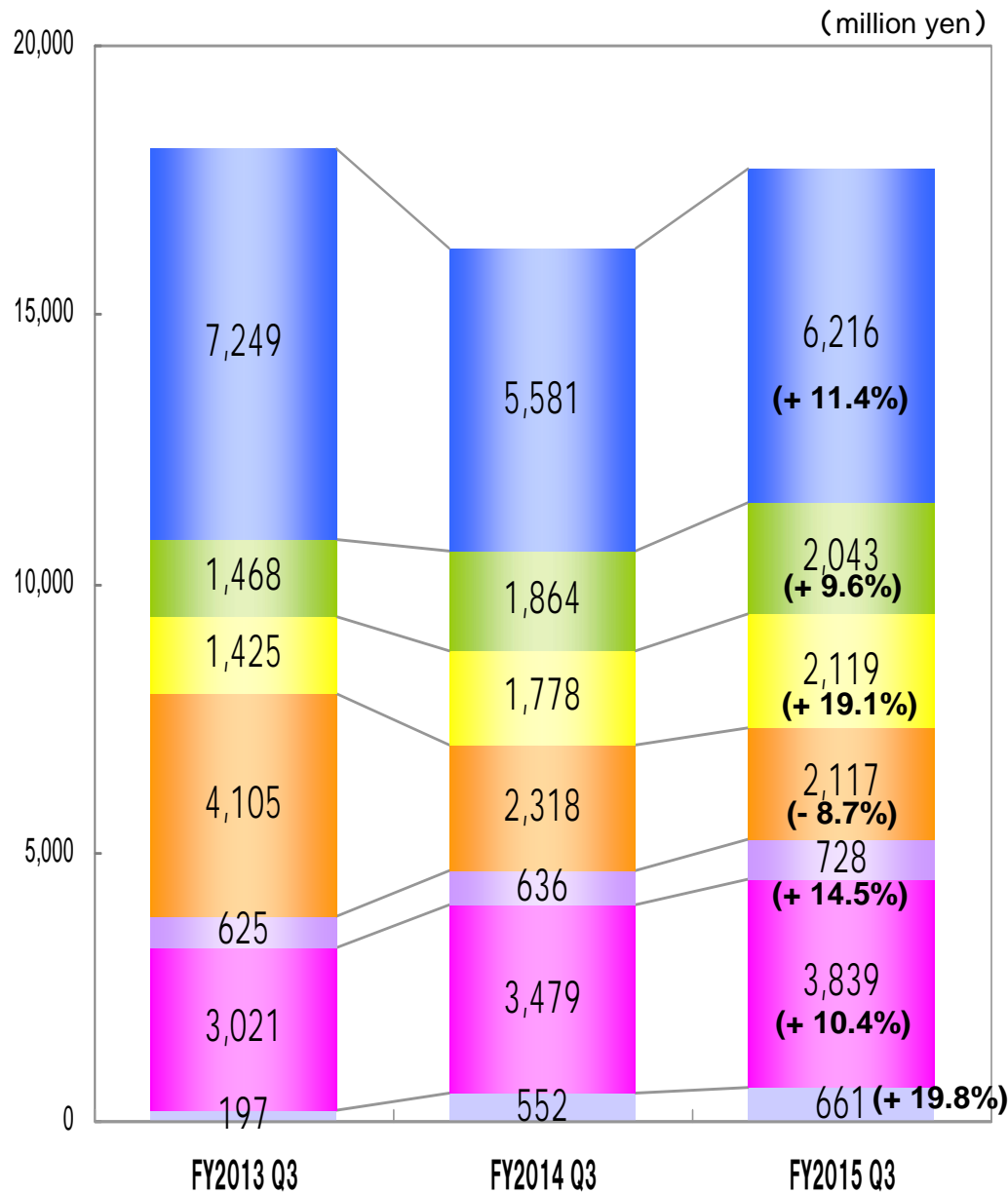
Segmentation Change



【Objective】 Create clearer numerical data for information on growth areas

Current Segment	New Segment	Areas changed	Gist of the changes
Roadside	Roadside	—	Transfer a portion of the programs from the CRM business by expanding on the details of contracts
Property Assistance	Property Assistance	—	—
Insurance	Insurance BPO	Overseas Travel Claims Healthcare Program BPO Services for Small amount and Short term Insurance	Notate after splitting the insurance-related BPO business of the former insurance segment
	Warranty	Extended Warranty Business Rent Guarantee Program	Notate after splitting insurance-related businesses of the former insurance segment
IT	IT solution	—	—
CRM	Customer Support	—	Notate after merging businesses related to customer marketing and support
Credit Card			
Temporary worker/Others	Temporary worker/Others	Add daycare and nursing care support service	Transfer daycare and nursing care support from the former insurance segment

FY 2015 Q3 Sales (by segment)



◆ Roadside

Existing contracted operations expanded at a healthy clip, as seen in improved visibility and increase in the use of services.

◆ Property Assistance

Sales growth was driven by the expansion of existing contract operations in Home Assist.

◆ Insurance BPO

Strong growth in overseas businesses .

◆ Warranty

• Sales declined due to terminating contracted operations for the Extended Warranty/Maintenance Programs for autos.

◆ IT solution

Strong growth in existing business.

◆ Customer Support

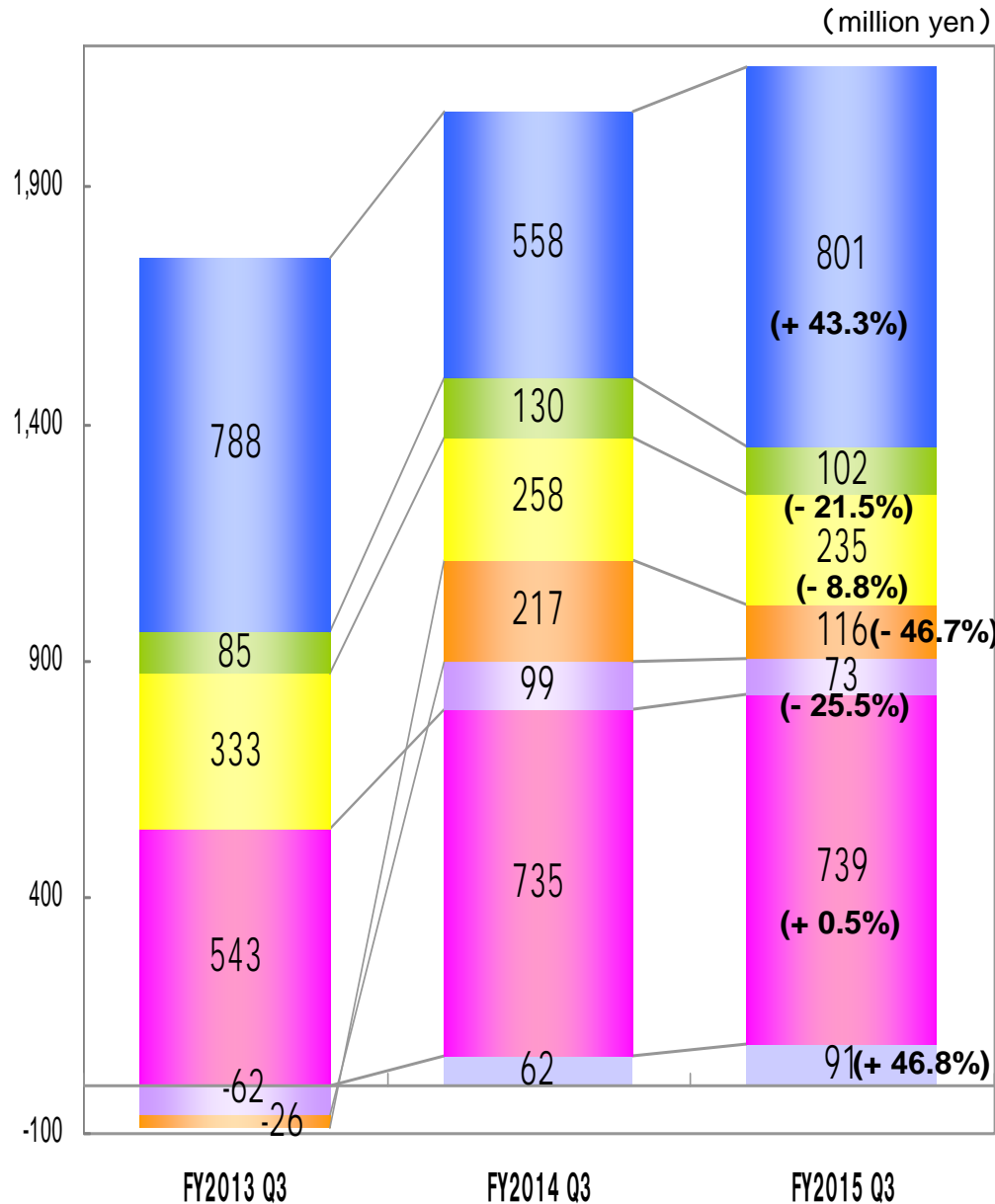
Sales increased primarily due to stable growth in credit card services for Japanese company representatives stationed overseas.

◆ Temporary worker/Others

Sales increased due to strong results by the temporary staffing business.



FY 2015 Q3 Operating Profit (by segment)



◆ Roadside

Success achieved in exhaustive cost management, such as cost-cutting related to using services and a reduction in man-hours for arrangements associated with systemization.

◆ Property Assistance

• Profit decreased due to prior investment, including that for expanding fieldwork subsidiaries.

◆ Insurance BPO

• Profit decreased due to prior investment, such as that for expanding overseas bases.

◆ Warranty

Operating profit decreased as the existing contracted operation for the Auto Extended Warranty and Maintenance Programs ended and costs for launching new projects increased.

◆ IT solution

• Impact seen from increasing costs for launching new business.

◆ Customer Support

• Succeeded in achieving exhaustive cost management despite terminating a portion of services.

◆ Temporary worker / Others

Operating profit increased by 46.8% due to an increase in sales and thorough cost management.



Forecast for FY2015: Progress Update

Forecast for FY2015: Progress Update



- Generally progressing as planned → No change to full-year forecast
- Proactive prior investment continues toward securing personnel → Number of employees at Yamagata BPO Garden climbs above 300

(million yen)

	FY2015 Q3 (actual)	FY2015 (revised forecast)	Difference	Progress ratio (%)
Sales	17,727	24,000	6,272	73.9%
Operating Profit	2,160	3,000	839	72.0%
(per sales)	(12.2%)	(12.5%)		
Ordinary Profit	2,131	3,100	968	68.8%
(per sales)	(12.0%)	(12.9%)		
Net Profit	1,420	2,050	629	69.3%
(per sales)	(8.0%)	(8.5%)		
Exchange rate (JPY)	120.55	103.2		-

FY2015 Forecast: Progress Update (by business)



(million yen)

	Sales		
	FY2015 Q3	revised forecast	Progress ratio
Roadside	6,216	8,612	72.2%
Property	2,043	2,832	72.2%
Insurance BPO	2,119	3,016	70.3%
Warranty	2,117	3,064	69.1%
IT solution	728	890	81.8%
Customer Support	3,839	4,709	81.5%
Temporary worker/Others	661	877	75.5%
Total	17,727	24,000	73.9%

Operating Margin		
FY2015 Q3	revised forecast	Progress ratio
801	1,080	74.2%
102	182	56.1%
235	406	58.1%
116	268	43.4%
73	64	115.4%
739	898	82.3%
91	102	89.9%
2,160	3,000	72.0%

Roadside : Sales and operating profit both strong as new and existing business remained at a healthy pace

Property: Impact mostly from the change in contracted rate for Park Assistance

Insurance BPO : To continue with prior investment toward growth next fiscal year, including reinforcing personnel, reorganization, despite accumulating new clients

Warranty : Continuing impact from contractual changes to the rent guarantee program; the Extended Warranty Program for autos continues to be impacted from a decline in auto sales and a delay in the launch of new programs

IT Solution : To continue with prior investments centered on efficiency systems that use core systems and mobile

Customer Support : Impact from a weaker yen in the Credit Card business

Temporary worker/Others : Temporary staffing business to remain solid

Major Initiatives for the Second Half: Progress Update

Basic Strategy

Expand businesses based on the concept of **solving end-user (consumers) problems.**

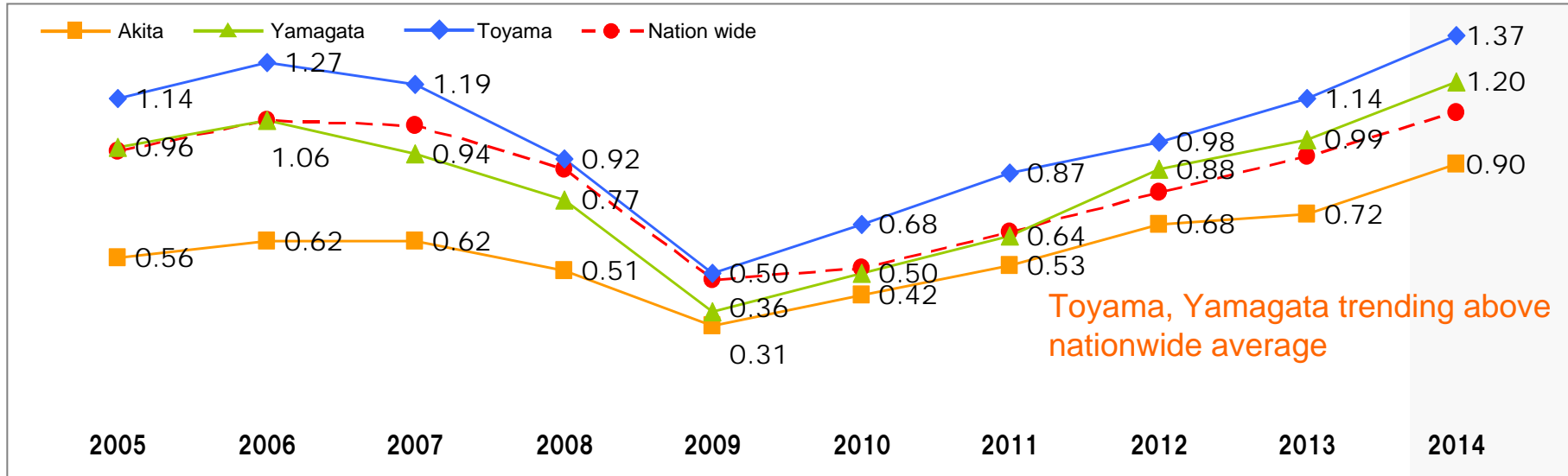


Create employment as a service business **in regional cities** and contribute to society as a long-lasting company.



Create a work environment in which people can work with dreams and with pride and **support the social progress of women.**

Akita, Yamagata, Toyama: Changes in the ratio of job offers to applicants for the past 10 years
 (Created by the Company based on Job/employment placement statistics by the Ministry of Health, Labour and Welfare)



[Toyama Prefecture]

The ratio of job offers to applicants has been remaining at high levels, with an increase seen in overtime work hours and the number of new applicants.

(Reference: *Toyama Prefecture Finance and Economy Quarterly* by the Toyama Office of the Bank of Japan)

[Yamagata Prefecture]

Employment conditions have continued to improve since the ratio of job offers to applicants broke above 1x in October 2013.

(Reference: *Monthly Report on Economic Trends in Yamagata Prefecture* by Yamagata Prefecture)

[Akita Prefecture]

The ratio of job offers to applicants has been rising from the previous year's level for around a year and a half. Improvement also seen on the income front.

(Reference: *Prefectural Financial and Economic Developments* by the Akita Branch of the Bank of Japan)

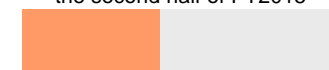
→Harsh hiring environment continues at BPO locations; responding continuously by securing personnel.

Building a structure consisting of three bases

◆ **Talent** (Akita, Yamagata, Toyama)

- Secure appropriate personnel
- Secure quality (hiring/education) in operations, fieldwork subsidiaries
- Exhibit group synergy by locations sharing expertise on hiring
- Hold appropriate training that corresponding to levels among the staff

Visual rendition of progress made in the second half of FY2015

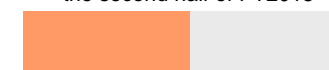


Somewhat behind plan

◆ **System**

- Focus on work that can only be done by human beings
- Enhanced efficiency through version upgrades of the core system, PBX (telephone switchboard) as well as utilizing mobile terminals/applications
- Continue with upgrading versions of systems, PBX
- Currently developing a mobile app for Road Assistance; preparing for development in other business as well ahead of next fiscal year

Visual rendition of progress made in the second half of FY2015

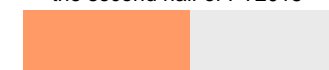


In line with plan

◆ **Organization**

- Differentiation of Akita, Yamagata and Toyama
- Set up division of roles, including global bases
- Reinforce the organization through special promotions and job rotations

Visual rendition of progress made in the second half of FY2015



In line with plan

Measure (1): **Form business teams at BPO locations**

[Items achieved]

- Akita/Yamagata: Hiring of athletes, staff more or less in line with plan
- Yamagata: Joint press conference held by the prefecture, city and the volley ball association in December 2014
- Akita/Yamagata: In line with plan; operations to begin in April 2015
- Toyama: Working on preparations ahead of establishing business unit in the fall of 2015

Visual rendition of progress made in the second half of FY2015



In line with plan



(From left) Section head Umino of Yamagata Prefecture Ministry of Education, Company President and CEO Tamagami, Sakata City Vice Mayor Maruyama, Yamagata Prefecture Volleyball Association Vice Chairman Yamagishi



Scenes from the press conference

Measure (2): **Proactively appoint a limited number of full-time employees for each region**

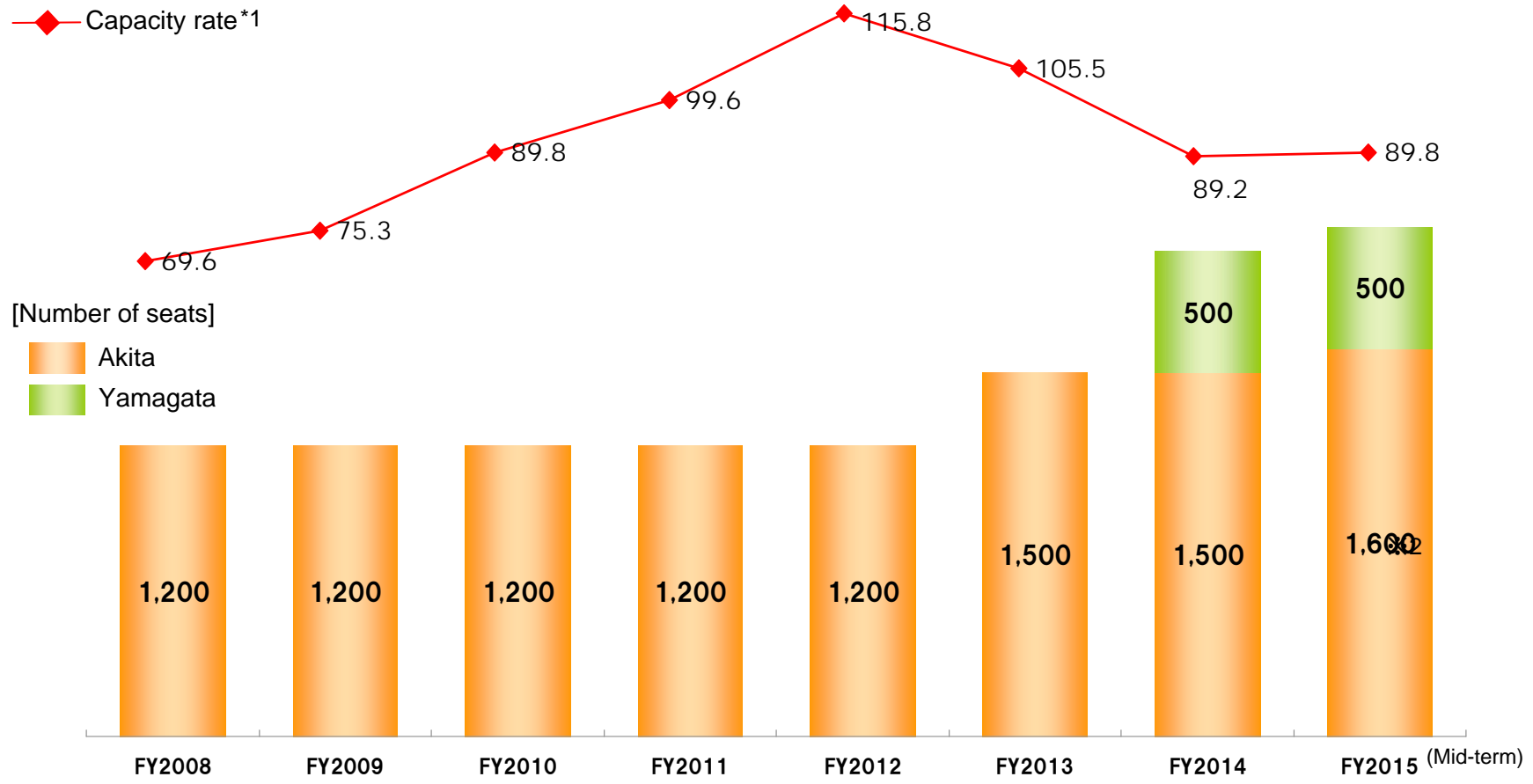
- Proactive hiring at each BPO location
- Continuing to consider a system that boosts employees' morale by combining it with special personnel promotions

Visual rendition of progress made in the second half of FY2015



In line with plan

Reference: Changes in the number of seats at BPO locations and capacity rate



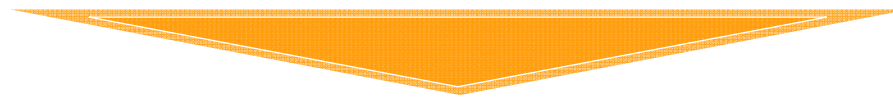
Number of employees at domestic locations (number of people)

835	904	1,078	1,195	1,389	1,582	1,783	1,886
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*1: The capacity rate is calculated by dividing the number of employees at domestic locations by the number of seats at domestic locations. The number of domestic employees is the gross number for the end of the term (including part-time workers) and due to shifts, the number totals over 100%.

*2: Nikaho branch(100 seats) opens

- Q3 is more or less in line with plan.
- The overall group will aim to realize a service that pursues gratitude and moving people
- As was the case in the first half, continued proactive prior investments vis-à-vis the challenge of building a structure centered on securing personnel



Aim at building a structure consisting of three bases (Akita, Yamagata, Toyama)

References

Company Profile



|| Company Overview

Company Name: Prestige International Inc.

Established: October, 1986

Head Office: 1-4 Kojimachi, Chiyoda-ku Tokyo

Capital: 1,125 million yen (As of March, 2014)

Number of Employee: 2,091 (As of March, 2014)

Business: BPO

Listed Market : TSE 1st

Trading Unit: 100 shares



**President & CEO
Shinichi Tamagami**

|| Etymology of the Company name

The desire to **“aim to become a well-known company that is accepted around the world”** is incorporated into the company name, which blends the word prestige that means **“top-class with exceptional reputation”** and the word **“international”** that signifies the state of being worldly.



|| Company Philosophy



Lends a ear and guides to resolution when end users
(consumers) are riddled with problems or are
inconvenienced

|| Background to Company Establishment

A 24-hour Japanese-language service for inquiries from Japanese people facing problems overseas began when CEO Tamagami, who himself faced challenges arising from differences in language and culture during the seven years he lived, thought of **how great it would be to receive high-quality and thoughtful services while overseas, just as if it were in Japan.**



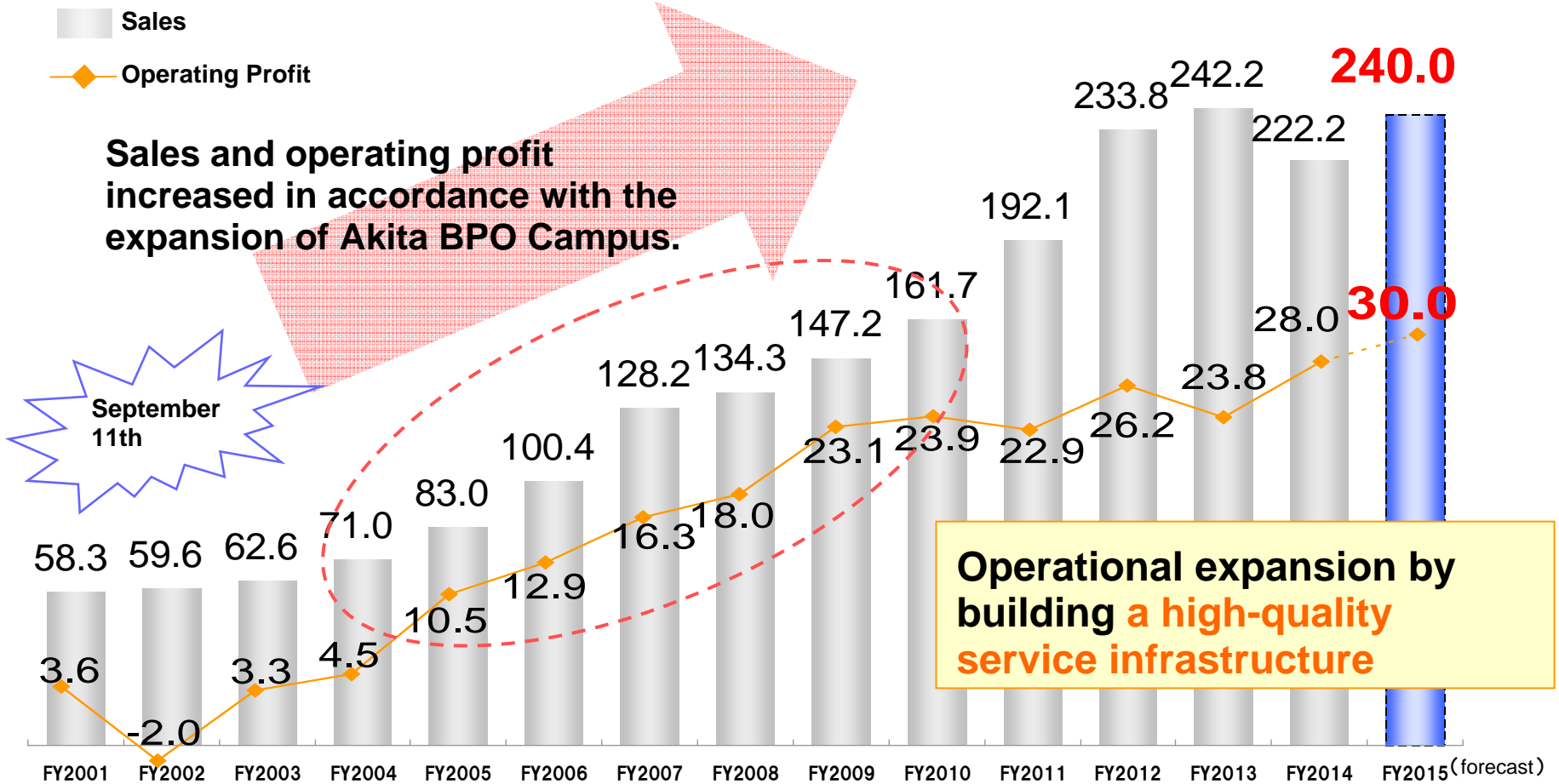
Performance Trend Since Publicly Listed



(billion yen)

■ Sales
◆ Operating Profit

Sales and operating profit increased in accordance with the expansion of Akita BPO Campus.



Operational expansion by building a high-quality service infrastructure

- 2001 Goes public on Hercules (JASDAQ)
- 2003 Akita BPO Campus opens (WEST Building)
- 2007 Akita BPO Campus opens (EAST Building)
- 2012 Akita BPO Campus opens (Satellite Building)
- 2012 Listed on TSE 2nd
- 2013 Yamagata BPO Garden opens
- 2013 Transferred to TSE 1st

Prestige International Inc. Group

Roadside

Roadside assistance for
Casualty insurance/ Auto maker

Road service(on-site units)

Premier Assist East Inc.

Road service (on-site units)
Premier Assist West Inc.

Road service (on-site units)
Premier Lotas Network Inc.

Property Assistance

- First set of repairs for owned residential portion
- Coin-based parking maintenance

Housing problems (on-site unit)

Premier Property Service Inc.

Coin-based parking problems (on-site unit)

Premier Park Assist Inc.

Insurance BPO

- Claim Handling Services
- Healthcare Program
- BPO services for Small amount and Short term Insurance

Overseas Subsidiaries

(USA, England, Singapore, China, Hong Kong, Australia, Thailand, Philippines, Brazil, Taiwan)

Warranty

- Extended Warranty Program
- Rent Guarantee Program

Rent Guarantee Program

Entrust Inc.
All Assist Inc.

IT Solution SCM solution

Time Commerce Inc.

Infrastructure building/
system development

Premier IT Solution Inc.

Mobile applications
planning/development

Premier Mobile Solution Inc.

Customer Support

- Contact Center Outsourcing
- Foreign currency based Credit Card Issue and Contact Center Management (USA/Hong Kong)

Point exchange service

Premier X Value Inc.

Application development
AppGT inc.

Temporary Worker/Other

Temporary Worker /
Training

**Prestige
Humansolution Inc.**

Nursing Services
Triple Ace Inc.

Affiliated company accounted for by the equity-method
Prime Assistance Inc.

※A joint venture with Sompo Japan Nipponkoa Holdings, Inc.

Consolidated Profit and Loss Statement



[Non-operating Income] Return on investment based on equity method:

+6 million yen → +127 million yen

[Net Profit] Due to the disappearance of the impact of 516 million yen in gains from sales of investment securities

(million yen)

	FY2014 Q3	FY2015 Q3	YOY	
			Difference	Change(%)
Sales	16,212	17,727	+ 1,514	+ 9.3%
Cost of Sales	12,407 (76.5%)	13,566 (76.5%)	+ 1,158	+ 9.3%
Gross Profit	3,805 (23.5%)	4,160 (23.5%)	+ 355	+ 9.3%
SG&A Expenses	1,741 (10.7%)	2,000 (11.3%)	+ 259	+ 14.9%
Operating Profit	2,063 (12.7%)	2,160 (12.2%)	+ 96	+ 4.7%
Ordinary Profit	1,914 (11.8%)	2,131 (12.0%)	+ 217	+ 11.3%
Net Profit	1,445 (8.9%)	1,420 (8.0%)	- 24	- 1.7%

Consolidated Balance Sheets Summary



(million yen)

	FY2014	FY2015 Q3	Change	
Current Assets	13,137	13,801	+ 663	Cash and deposits + 695 Short-term investment securities - 332 Advances paid + 388
Fixed Assets	5,476	7,824	+ 2,348	
Total Assets	18,613	21,625	+ 3,012	
Current Liabilities	4,569	5,059	+ 489	Short term bank loans + 175 Income taxes payable - 449 Other + 946
Noncurrent Liabilities	577	1,096	+ 519	
Net Assets	13,466	15,469	+ 2,003	
Liabilities and Net Assets	18,613	21,625	+ 3,012	

Cautionary Statement

This presentation may provide projections or forward-looking statements regarding future conditions, events or performance.

The Company wishes to caution you that such statements are just predictions and the actual events or results may differ materially due to changes in business conditions.