

Consolidated Results

Third Quarter Fiscal Year 2016

February 22th, 2016



Prestige International Inc.
Security Code: 4290

FY2016 Q3 Consolidated Results of Operations

Achieved results as planned on the whole - due to unpredictable factors such as Chinese economic situation and yen depreciation since the end of last year, full-year forecast stays as initially scheduled. With regards to securing talented individuals, the strengthening effort remains a continuous challenge.

(million yen)

	FY2015 Q3 (actual)	FY2016 Q3 (actual)	Change (%)	FY2016 (forecast)	Progress Ratio (%)
Sales	18,049	20,391	+ 13.0 %	27,000	75.5 %
Operating Profit (per sales)	2,189 (12.1%)	2,379 (11.7%)	+ 8.7 %	3,250 (12.0%)	73.2 %
Ordinary Profit(per sales)	2,161 (12.0%)	2,585 (12.7%)	+ 19.6 %	3,400 (12.6%)	76.0 %
Profit Attributable to Owners of the Parent (per sales)	1,450 (8.0%)	1,786 (8.8%)	+ 23.1 %	2,100 (7.8%)	85.1 %
Exchange Rate (JPY)	120.55	120.61	-	119.96	-

Consolidated Profit and Loss Statement



Despite the hike in the cost of sales and the SG&A expenses due to the commencement of the operation in Toyama BPO Town, the operating profit achieved a year-on-year increase due to growth in sales. Due to dissolution of foreign exchange losses (- 203 million yen -> -) and an increase in equity gains of affiliated companies (127 million yen -> 143 million yen), a substantial increase in the ordinary profit and the profit attributable to owners of the parent was achieved.

(million yen)

	FY2015 Q3	FY2016 Q3	YoY	
			Difference	Change(%)
Sales	18,049	20,391	+ 2,342	+ 13.0%
Cost of Sales (per sales)	13,858 (76.8%)	15,642 (76.7%)	+ 1,783	+ 12.9%
Gross Profit (per sales)	4,190 (23.2%)	4,749 (23.3%)	+ 558	+ 13.3%
SG&A Expenses (per sales)	2,000 (11.1%)	2,370 (11.6%)	+ 369	+ 18.5%
Operating Profit (per sales)	2,189 (12.1%)	2,379 (11.7%)	+ 189	+ 8.7%
Ordinary Profit (per sales)	2,161 (12.0%)	2,585 (12.7%)	+ 424	+ 19.6%
Profit Attributable to Owners of the Parent (per sales)	1,450 (8.0%)	1,786 (8.8%)	+ 335	+ 23.1%

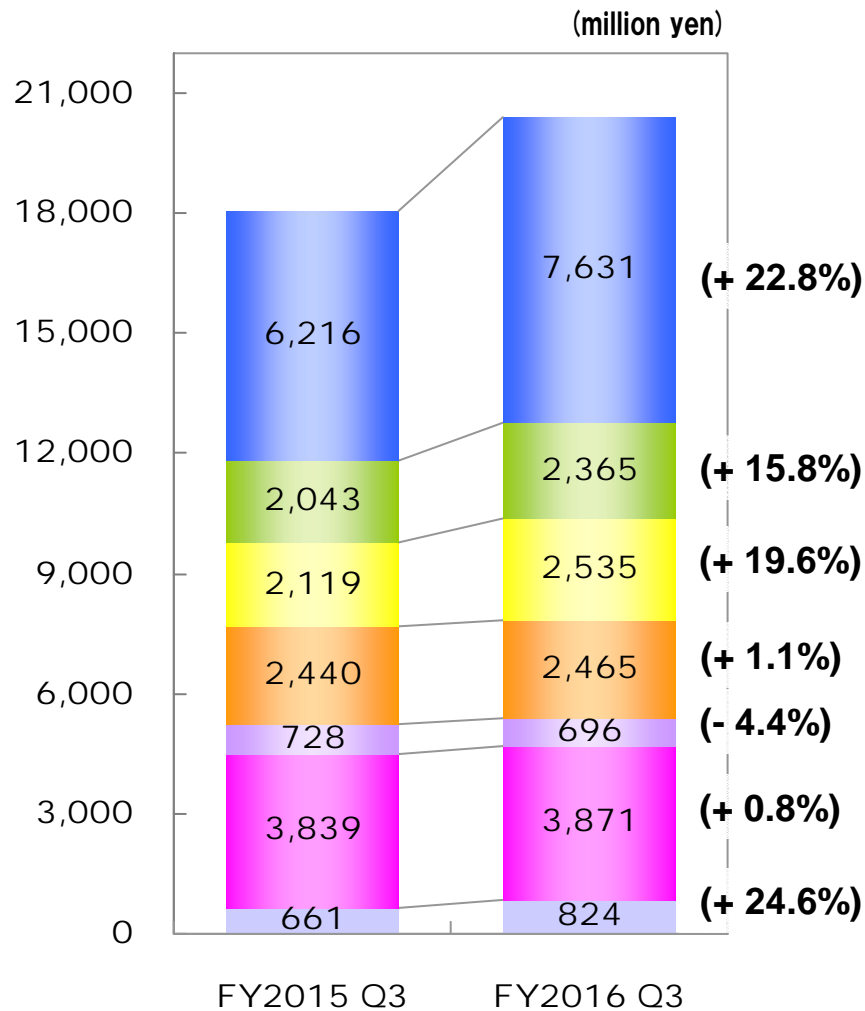
Consolidated Balance Sheets Summary



(million yen)

	FY2015	FY2016 Q3	Change	Difference
Current Assets	14,673	15,416	+ 743	Cash and deposits + 902 Advances paid + 309 Other - 350
Fixed Assets	8,909	10,073	+ 1,163	
Total Assets	23,582	25,489	+ 1,906	
Current Liabilities	6,740	6,442	- 297	Other - 180
Noncurrent Liabilities	1,350	1,764	+ 413	Asset retirement obligation + 442 Long-term debt - 175
Net Assets	15,491	17,282	+ 1,790	
Liabilities and Net Asset	23,582	25,489	+ 1,906	

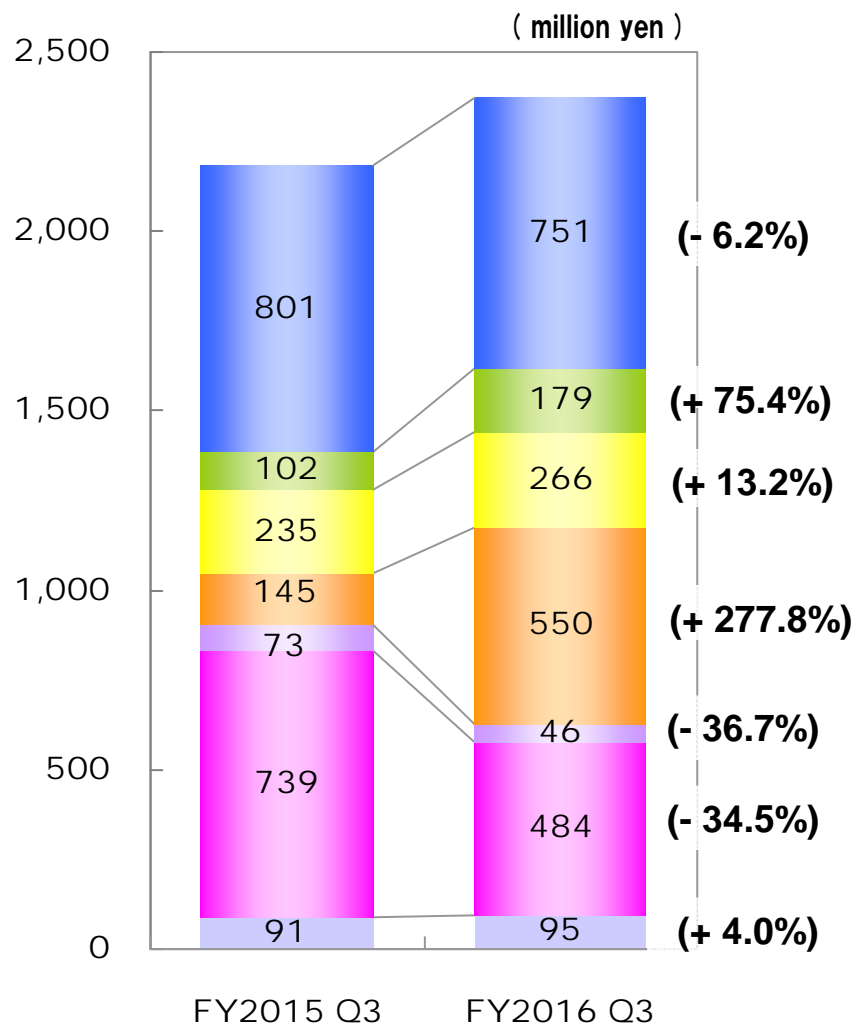
FY2016 Q3 Sales (by Segment)



- ◆ **Roadside Assistance**
Sales increased due to growth on existing contract operations and contribution of the new clients acquired in the previous term.
- ◆ **Property Assistance**
Sales increased due to steady growth in services for exclusively owned areas in real estate (Home Assistance services).
- ◆ **Insurance BPO**
Sales increased due to expansion mainly in services for Japanese expatriates stationed overseas (Healthcare Program).
- ◆ **Warranty**
Sales increased due to steady performance of the Rent Warranty Program.
Note: Retrospective restatement applied to the previous Q3 because of a change in the accounting policies regarding the Rent Warranty Program, which resulted in a 322 million yen increase.
- ◆ **IT Solution**
Sales decreased due to the reaction to accepted orders in the previous term.
- ◆ **Customer Support**
Sales increased due to steady growth in the credit card services and acquisition of new clients, despite partial downsizing of some operations.
- ◆ **Temporary Worker/ Others**
Sales increased due to steady performance mainly in the temporary worker business to the affiliated company (Prime Assistance Inc.).



FY2016 Q3 Operating Profit (by Segment)



◆ Roadside Assistance

Profit decreased due to a rise in the cost associated with the transfer of operations to Toyama BPO Town despite the improved operational efficiency.

◆ Property Assistance

Profit increased due to steady operations of the field work subsidiaries in addition to business expansion.

◆ Insurance BPO

Profit increased due to expansion in the business area despite the cost generated by the transfer of operations.

◆ Warranty

Profit greatly increased due to expansion of the Rent Warranty Program and earnings recovery in the Extended Warranty and Maintenance Program.

Note: Retrospective restatement applied to the previous Q3 because of a change in the accounting policies regarding the Rent Warranty Program, which resulted in a 29 million yen increase.

◆ IT Solution

Profit decreased due to the reaction to accepted orders in the previous term.

◆ Customer Support

Profit decreased due to the increased cost associated with the transfer of operations to Toyama BPO Town.

◆ Temporary Worker/ Others

Profit increased due to steady performance mainly in the temporary worker business to the affiliated company (Prime Assistance Inc.).



Forecast for FY2016: Progress Update

Forecast for FY2016: Progress Update

Achieved results as planned on the whole –
 Securing talented individuals' remains an ongoing challenge -> prevent degradation of the operational quality caused by the lack of human resources. -> In particular, make the transfer of operations to Toyama BPO Town a priority issue.
 Full-year forecast stays as initially scheduled considering unpredictable external factors.

	FY2016 Q3 (actual)	FY 2016 Full-year Forecast	Change	Progress Ratio (%)
Sales	20,391	27,000	6,608	75.5%
Operating Profit (per sales)	2,379 (11.7 %)	3,250 (12.0%)	870	73.2%
Ordinary Profit (per sales)	2,585 (12.7 %)	3,400 (12.6%)	814	76.0%
Profit Attributable to Owners of the Parent (per sales)	1,786 (8.8 %)	2,100 (7.8%)	313	85.1%
Exchange Rate (JPY)	120.61	119.96		-

FY2016 Forecast: Progress Update (by Segment)

(million yen)

	Sales			Operating Profit		
	FY2016 Q3	Full- year Forecast (Revised)	Progress Ratio (%)	FY2016 Q3	Full-year Forecast (Revised)	Progress Ratio (%)
Roadside Assistance	7,631	10,151	75.2%	751	1,109	67.7%
Property Assistance	2,365	3,142	75.3%	179	210	85.2%
Insurance BPO	2,535	3,344	75.8%	266	448	59.4%
Warranty	2,465	3,462	71.2%	550	665	82.7%
IT Solution	696	940	74.0%	46	56	82.1%
Customer Support	3,871	4,948	78.2%	484	663	73.0%
Temporary Worker/ Others	824	1,013	81.3%	95	98	96.9%
Total	20,391	27,000	75.5%	2,379	3,249	73.2%

■ Roadside Assistance: Running solid operations due to stable weather. Largely as scheduled.

■ Property Assistance: Profit continues to rise due to stabilization of fieldwork subsidiaries. Will continue prior investment for business field expansion.

■ Insurance BPO: Aiming for stabilization despite the cost generated for transfer of backyard operations from overseas to Japan.

■ Warranty: Continuous contribution to the revenue from the Rent Warranty Program as well as the Extended Warranty and Maintenance Program. Promoting development to the new fields.

■ IT Solution: Largely as scheduled. Continued investment to systems for improved efficiency.

■ Customer Support: Largely as scheduled. Continuous transfer of operations to Toyama BPO Town.

■ Temporary Worker/ Others
Largely as scheduled.

Variation Factor Caused by Recording by Division

Reason for adopting record by division from FY2016

1. Service structure of the client changed from guarantee fee block accession to monthly collection.
2. Judged it as a more conservative standard as the warranty-related accounting

Warranty Segment; previous year corrections

Item	15/3 Q3(actual)	After Retrospective Restatement	Change	Remark
Sales	2,972	3,355	383	Amount accepted from the previous term for the first-time guarantee fee + 611 / Amount put off by the division of the renewal guarantee fee – 229
Cost of Sales	2,741	3,323	582	Amount accepted as business commission fee + 217
SG&A				Amount accepted as reinsurance fee + 366
Operating Profit	231	32	- 199	Same

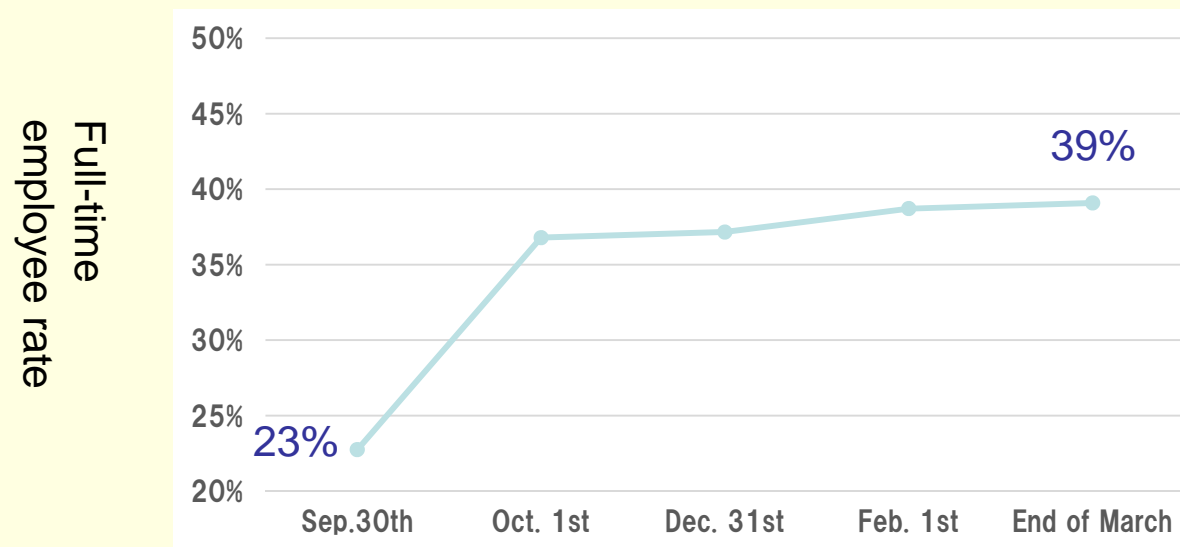
Warranty Segment; variation factor for full-year forecast * Rent warranty program

Item	After Retrospective Restatement	Full-year Forecast	Change	Remark
Sales	3,355	3,462	107	Increase in the ratio of monthly collected services + 539 Decrease in warranty sales (record by division) - 789
Cost of Sales	3,323	2,797	- 526	Business Commission Fee -393 (caused by decrease in warranty sales) / Reassurance fee -611 (caused by termination of a portion of reinsurance contract)
SG&A				
Operating Profit	32	665	633	

Major Initiatives for the Second Half

Issued a press release on September 29th, 2015 announcing promotion of 339 fixed-term employees to indefinite-term regional full-time employees. Will promote more employees than what was planned previously: 256 (Akita), 61 (Yamagata), 22 (Toyama).

Trends in the full-time employee rate at each domestic site



Note: The proportion of the number of the regional full-time employees and the full-time employees to the total number of employees in each site.

Looking for ways to empower and unite local communities.

Toyama BPO Town: event determined as handball

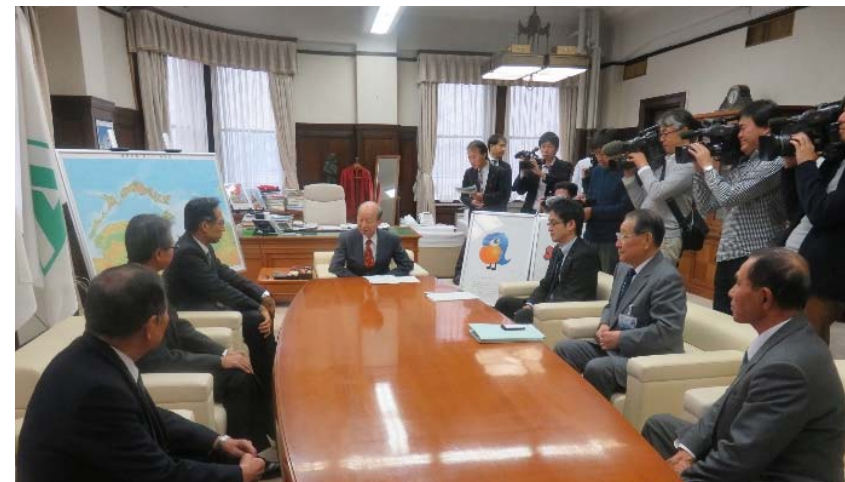
Made a courtesy call to Mr. Ishii, the Toyama prefectural governor, on November 19th, 2015.

Announced the establishment of **the only women's handball corporate sports team in Toyama prefecture.**

Will start activities fully from April 2017 and aim to participate in Japan Handball League. Recruitment is proceeding as scheduled.



(From left) Mr. Tsuchida, Chairman of Toyama Handball Association, Tamagami, President & CEO of Prestige International, and Mr. Ishii, Governor of Toyama Prefecture.

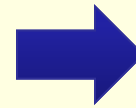


At the courtesy call

References: Recruiting status in Toyama BPO Town

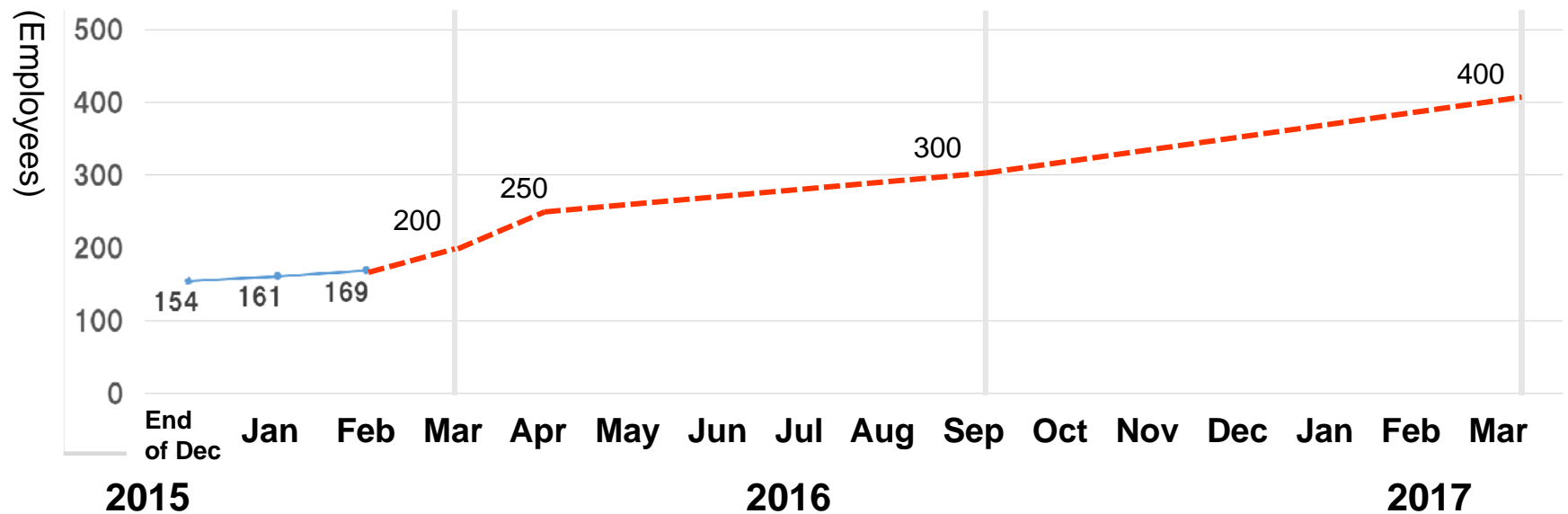
- Recruitment is proceeding as scheduled

March, 2016
Planning to achieve a hiring objective of 200 employees.

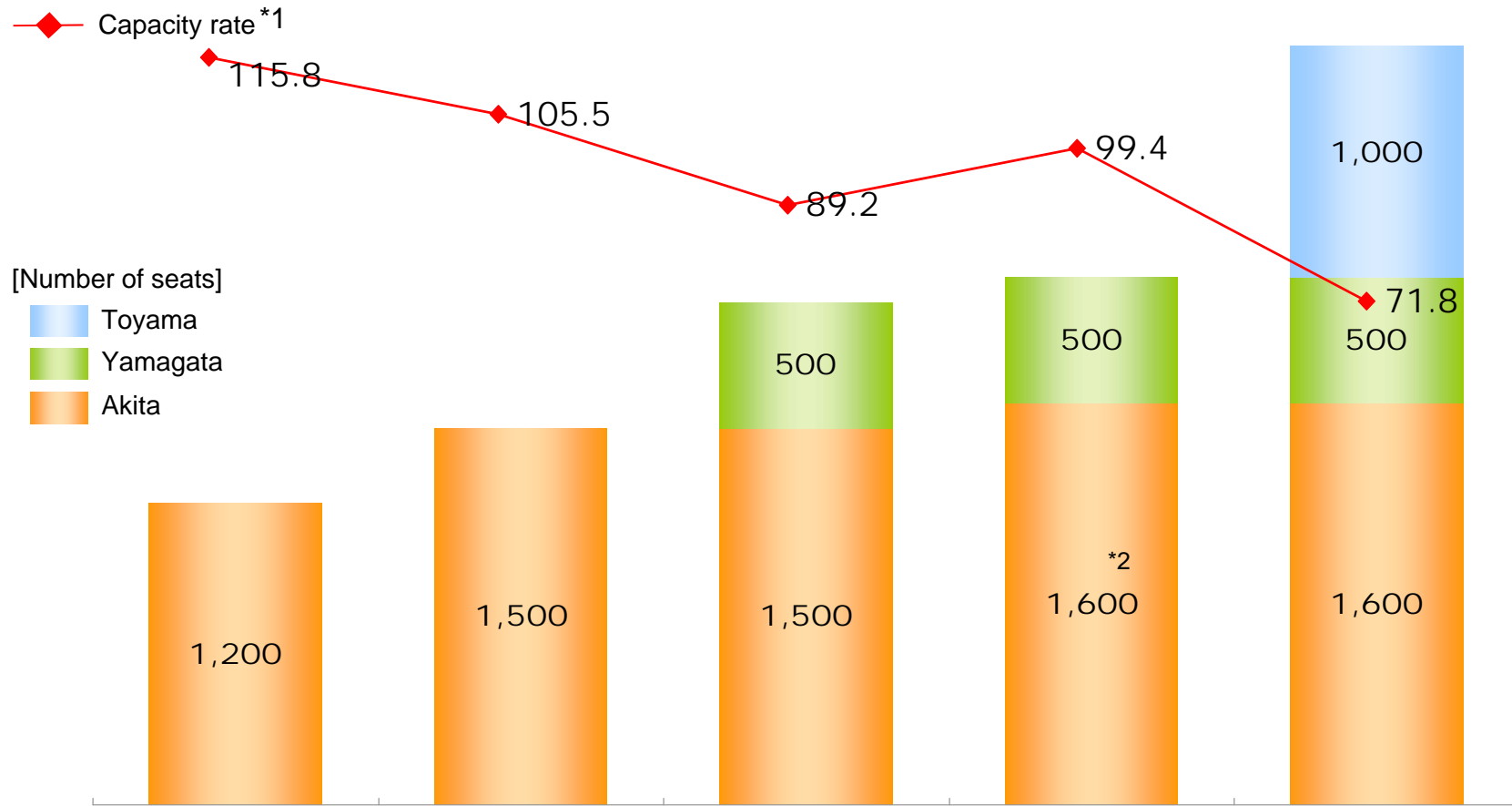


March, 2017
Aiming to reach 400 employees.

Trends in the number of employees in Toyama BPO Town and the hiring schedule.



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



Fiscal Year	FY2012	FY2013	FY2014	FY2015	FY2016 (Interim)
Number of employees at domestic locations (number of people)	1,389	1,582	1,783	2,088	2,848 (at the End of September)

*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) opened

【Dividend Policy】

Passing on profits to our shareholders has been positioned as one of our important management items. Regarding dividends, our basic policy is to **pay dividends continuously and steadily**, while keeping in mind the need to enhance internal reserves for business plans and an expansion of the scale of business as well as taking into account consolidated profit levels for each fiscal year and the status of cash flows.

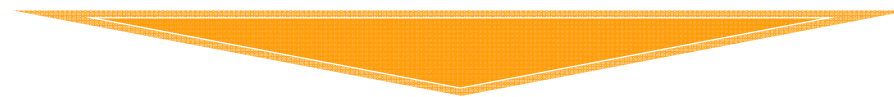
【Dividend Payout Ratio】

We have set **the consolidated payout ratio of 20 % as the numerical target** of the Medium-term Business Plan

	Dividends per share (yen)			Payout ratio (%)	ROE(%)
	Interim	Year end	Annual		
FY2016 (forecast)	6.00*	6.00	12.00	17.8	-
FY2015 (actual)	5.00	6.00	11.00	17.3	13.3
FY2014 (actual)	5.00	5.00	10.00	15.2	16.1

* Interim dividends for FY2016 is an actual value.

- Q3 is basically in line with the plan.
- Securing talented individuals remains an ongoing issue.
- Aiming to ensure appropriate corporate structure and concentrate on growing business fields.



Will continue to proceed with efforts to stabilize operations of the three sites (Akita, Yamagata, Toyama).

References

Company Profile

Company Name: Prestige International Inc.
Established: October, 1986
Head Office: 2-4-1 Kojimachi, Chiyoda-ku Tokyo
Capital: 1,268 million yen
(As of September, 2015)
Number of Employee: 2,848
(As of September, 2015)
Business: BPO
Listed Market: TSE 1st
Trading Unit: 100 shares



**President & CEO
Shinichi Tamagami**

|| Company Philosophy

To listen to end-user (consumer) inconveniences and troubles, engage in business creation that will lead to solutions, and grow as a company that contributes by providing solutions to social issues through that development.

|| 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.**



Trends in Sales and Operating Profit

(100 million yen)

■ Sales
◆ Operating profit

Business results expand steadily in proportion to the extension of BPO sites

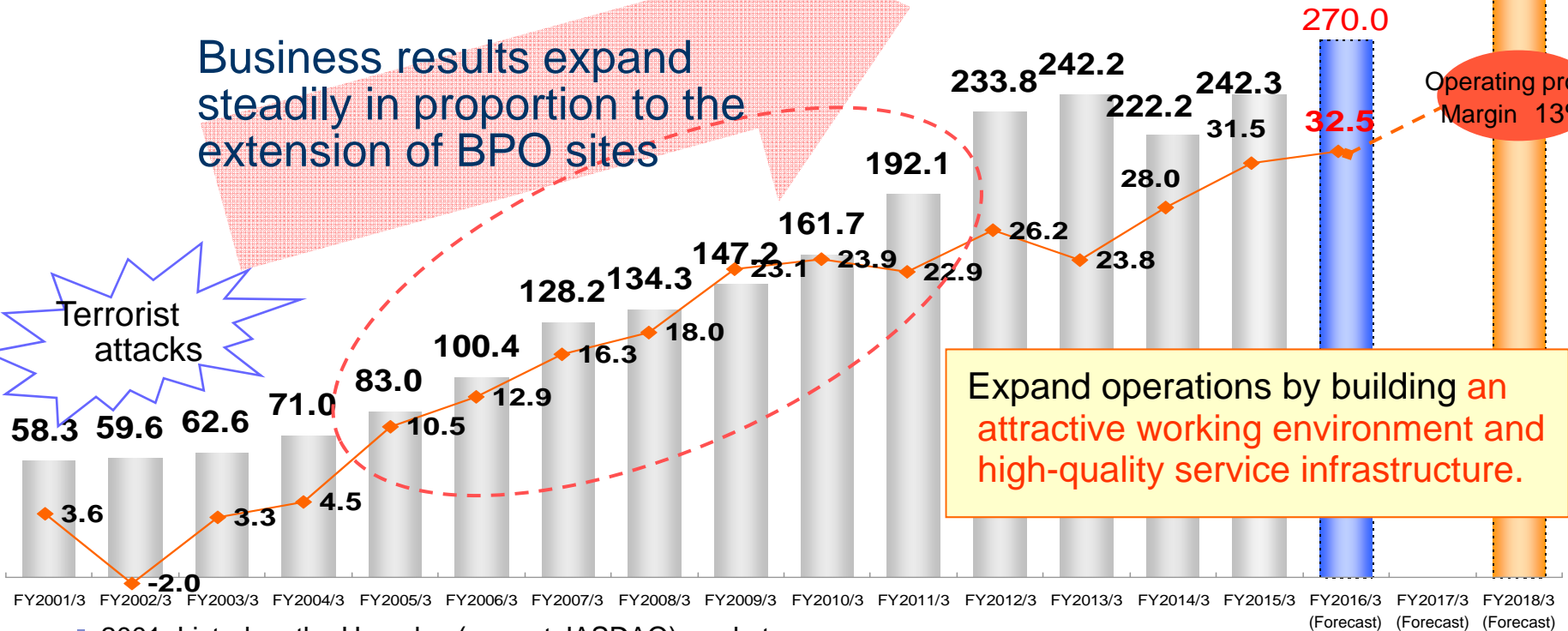
Toyama BPO Town for maintaining growth

Sales 35.0 billion yen

Operating profit Margin 13%

Terrorist attacks

Expand operations by building an attractive working environment and high-quality service infrastructure.



2001: Listed on the Hercules (current JASDAQ) market

2003: Akita BPO Campus (WEST building opened)

2007: Akita BPO Campus (EAST building opened)

2012: Akita BPO Campus (Satellite building opened)

2012: Listed on the Second Section of the TSE

2013: Yamagata BPO Garden opened

2013: Listed on the First Section of the TSE

2015: Toyama BPO Town opened

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

<p>Roadside Assistance</p> 	<p>Property Assistance</p> 	<p>Insurance BPO</p> 	<p>Warranty</p> 
<p>Customer Support</p> 	<p>IT Solution</p> 	<p>Temporary Worker/ Others</p> 	

Roadside Assistance

- Roadside assistance for casualty insurance, automotive manufacturer and leasing company

Related subsidiaries
Premier Assist Inc. etc.

Property Assistance

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

Related subsidiaries
Premier Property Service Inc.
Premier Park Assist Inc.

Insurance BPO

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

Overseas subsidiaries
(14 countries worldwide)

Warranty

- Extended Warranty Program
- Rent Guarantee Program
- Housing unit extended warranty

Related subsidiaries
Premier IT & Process Management Inc.
Entrust Inc. etc.

Customer Support

- Contact Center Outsourcing
- Foreign currency based credit card issue and contact center management

(USA/ Hong Kong)
Related subsidiaries etc.

IT Solution

- IT related services (Infrastructure building, system development and SCM solutions)

Related subsidiaries
Time Commerce Inc. etc.

Temporary Worker/ Other

Temporary Worker / Training, nursing services

Related subsidiaries
Prestige Human Solution Inc.
Triple Ace Inc.

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 only predictions and the actual events or results may differ materially due to changes in business conditions.