

# Consolidated Results First Quarter FY 2017

June 29<sup>th</sup>, 2016

Fiscal Year 2017 beginning on April 1, 2016 and ending on March 31, 2017

Prestige International Inc.

Security Code: 4290



# FY2017 Q1

## Consolidated Results of Operations

- Steady growth in the main segments resulted in increased sales and profit. Operating profit increased due to completion of the advance investment in Toyama BPO Town; however, challenges remain with respect to securing talented individuals. Thus investment in systems and in talented individuals will be accelerated for future growth.
- Ordinary profit largely increased due to foreign exchange gains of 279 million yen following the foreign exchange fluctuations due to Brexit, in addition to increased operating profit.

(million yen)

	FY2016 Q1 (Actual)	FY2017 Q1 (Actual)	Change (%)	FY2017 1H (Revised Forecast)	Progress Ratio (%)	FY2017 (Revised Forecast)	Progress Ratio (%)
<b>Sales</b>	6,654	6,967	+ 4.7 %	14,000	49.8 %	30,000	23.2 %
<b>Operating Profit</b> (per sales)	775 ( 11.6%)	899 ( 12.9%)	+ 16.0 %	1,650 (11.8%)	54.5 %	3,750 (12.5%)	24.0 %
<b>Ordinary Profit</b> (per sales)	730 ( 11.0%)	1,198 (17.2%)	+ 64.1 %	1,660 ( 11.9%)	72.2 %	3,900 (13.0%)	30.7 %
<b>Profit Attributable to Owners of the Parent</b> (per sales)	412 ( 6.2%)	839 (12.1%)	+ 103.5 %	1,150 ( 8.2%)	73.0 %	2,700 (9.0%)	31.1 %
<b>Exchange Rate(JPY)</b>	122.45	102.91	-	112.35		112.35	-

# FY2017 Q1

## Initial Forecast VS Revised Forecast

- Operating profit in Q2 estimated to surpass forecast due to steady growth in Q1. Ordinary profit also estimated to surpass forecast due to the addition of gains in equity although reaction to the previous foreign exchange gains is expected.
- Full- year forecast: operating profit remains unchanged after detailed checking of the probability of receiving new orders. Ordinary profit estimated to surpass forecast due to the addition of gains in equity.

### Revised Forecast for Q2 FY2017 (year to date) (million yen)

	Initial Forecast	Revised Forecast	Difference	Change (%)
<b>Sales</b>	14,000	14,000	0	—
<b>Operating Profit</b>	1,550	1,650	+ 100	+ 6.5%
<b>Ordinary Profit</b>	1,460	1,660	+ 200	+ 13.7%
<b>Profit Attributable to Owners of the Parent</b>	1,000	1,150	+ 150	+ 15.0%
<b>Earnings per Share (yen)</b>	31.80	36.46	—	—

### Revised Forecast for Full-year FY2017

	Initial Forecast	Revised Forecast	Difference	Change(%)
<b>Sales</b>	30,000	30,000	0	—
<b>Operating Profit</b>	3,750	3,750	0	—
<b>Ordinary Profit</b>	3,800	3,900	+ 100	+ 2.6%
<b>Profit Attributable to Owners of the Parent</b>	2,600	2,700	+ 100	+ 3.8%
<b>Earnings per Share (yen)</b>	82.67	85.53	—	—



# Consolidated Balance Sheets (Summary)

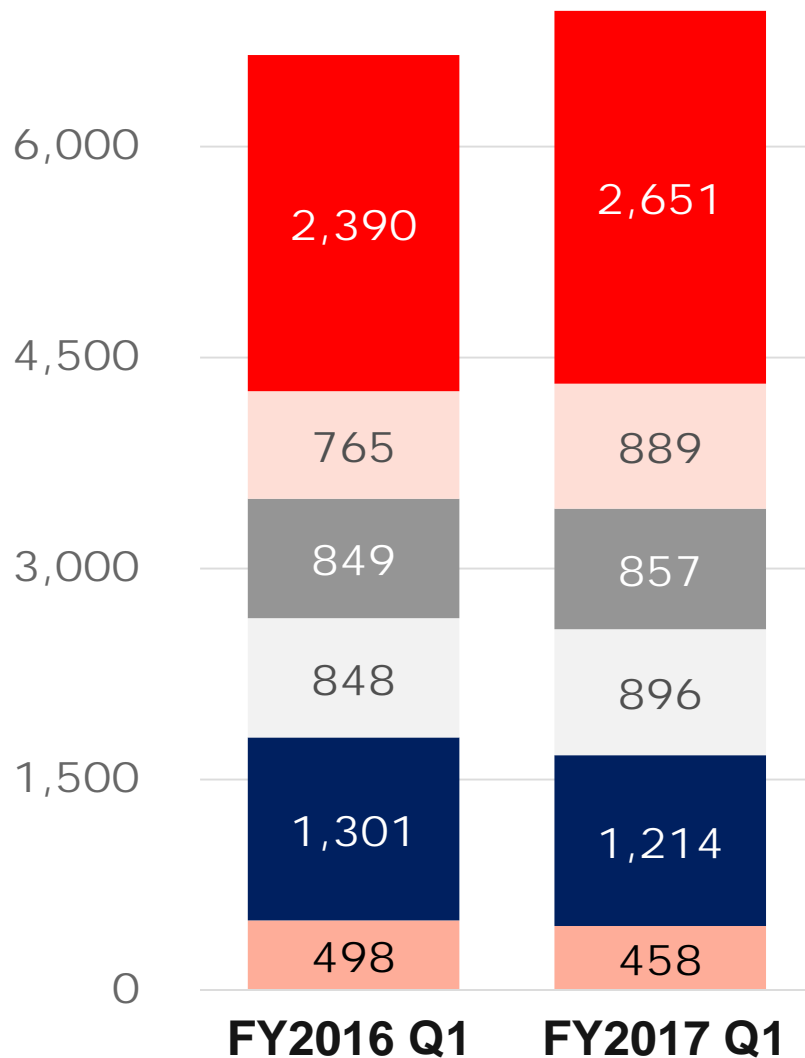


(million yen)

	FY2016	FY2017 Q1	Difference	
<b>Current Assets</b>	15,892	15,466	- 426	Cash and Deposits + 180
				Advance - 266
				Other - 239
<b>Fixed Assets</b>	10,046	10,107	+ 61	Other (Property, plant and equipment) + 143
<b>Total Assets</b>	25,939	25,574	- 364	
<b>Current Liabilities</b>	6,417	6,138	- 279	Income Taxes Payable - 181
				Provision for Bonuses - 186
<b>Noncurrent Liabilities</b>	1,679	1,565	- 113	Long-term Loans Payable - 87
<b>Net Assets</b>	17,842	17,869	+ 27	Retained Earnings + 587
<b>Liabilities and Net Assets</b>	25,939	25,574	- 364	

# FY2017 Q1 Sales (by Segment)

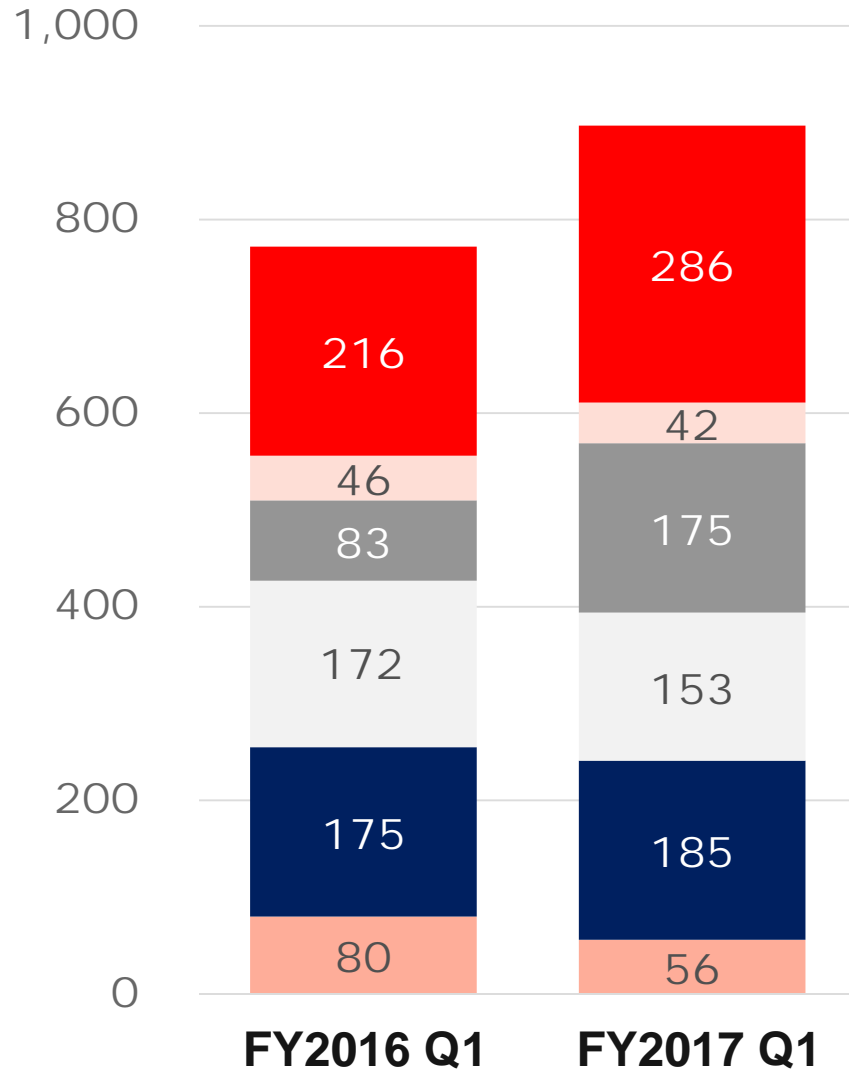
(million yen)



- **Roadside Assistance (YoY +11.0%)**  
 Sales increased due to steady growth in existing contract operations.
- **Property Assistance (YoY +16.1%)**  
 Sales increased due to steady growth due to acquisition of new clients and existing contract operations in services for exclusively owned areas in real estate (Home Assistance Services).
- **Insurance BPO (YoY +0.8%)**  
 Sales increased due to steady growth in overseas services (Claim Handling Services, Healthcare Programs).
- **Warranty (YoY +5.6%)**  
 Sales increased due to steady growth in Automobile Extended Warranty Program and Rent Guarantee Program.
- **Customer Support (YoY -6.7%)**  
 Sales decreased due to termination of a portion of services despite steady growth in credit card services.
- **IT Solutions, Temporary Worker/ Others (YoY -8.0%)**  
 IT Solutions Sales increased due to completion of acceptance inspections for newly acquired projects.  
  
 Temporary Worker/ Others Sales decreased due to termination of temporary staffing operations for the equity method affiliate and switching to outsourcing contracts.

# FY2017 Q1 Operating Profit (by Segment)

(million yen)



- **Roadside Assistance (YoY +32.2%)**  
 Profit increased due to cost reduction by optimization and increased operations by field teams.
- **Property Assistance (YoY - 8.5%)**  
 Profit decreased due to advance investment such as operation establishment of newly outsourced operations.
- **Insurance BPO (YoY + 110.6%)**  
 Profit increased due to cost being on a downward trend, with the effect of backyard operations concentration on a domestic site “Nikaho Branch” from the sites overseas.
- **Warranty (YoY - 11.3%)**  
 Profit decreased due to reaction to change in earnings structure of Rent Guarantee Program.
- **Customer Support (YoY + 5.7%)**  
 Profit increased due to settlement of transfer of operations to Toyama BPO Town.
- **IT Solutions, Temporary Worker/Others (YoY - 30.2%)**  
 IT Solutions Profit increased due to monetization of newly acquired projects and settlement of advance investments.  
 Temporary Worker/Others Profit decreased mainly due to termination of temporary staffing to the equity method affiliate.

# Topic 1: Commencement of Construction of Yamagata BPO Garden

- Started construction of Yamagata BPO Garden dormitory, following construction of dormitories at Akita and Toyama sites.
- Creating an environment that enables young employees and their families to put their minds at ease.

**Contractor** Daiwa House Industry Co., Ltd.

**Completion** End of October, 2016 (planned)

**Availability** 32 people (planned maximum capacity: 64 people)



Exterior of the Dormitory  
(artist's conception)



Training Room (Artist's conception)



Dining Room (Perspective Drawing)



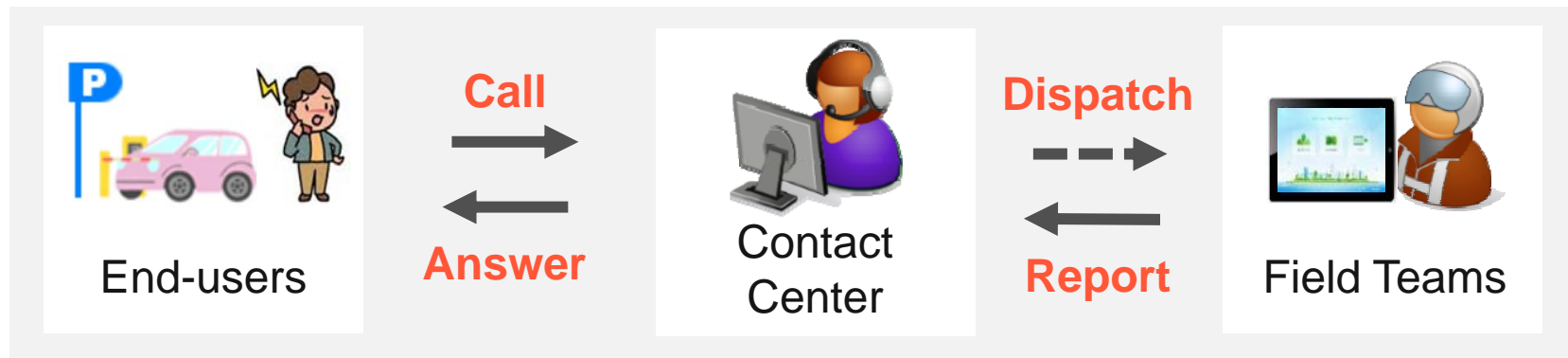
## Background of Participation

- Operate IoT services simultaneously with the core system linking our contact centers and field teams.
- Realize more real-time and seamless customer support.



## System Overview

Enables normal parking spaces to have paid parking function from one parking space at low cost. It comprises IoT devices, gateway with communication module, and cloud servers managing parking spaces.



## **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.