

Financial Results for First Quarter Fiscal Year 2018

*Fiscal Year 2018 beginning on April 1, 2017 and ending on March 31, 2018

July 28th, 2017



Prestige International Inc.
Security Code: 4290

FY2018 First Quarter Results

- | Steady growth in the main segments resulted in increased sales and operating profit.
- | **Operating Profit**
 The operating profit margin was maintained at 11.9% despite prior investment to facilities and personnel for the future growth.
- | **Ordinary Profit**
 Despite posting foreign exchange gains, ordinary profit decreased due to a reactionary fall from the previous first quarter and the share of the loss of entities accounted for using the equity method.

	FY2017 Q1 (Actual)	FY2018 Q1 (Actual)	Change (%)	FY2018 1H (Forecast)	Progress Ratio (%)	FY2018 (Forecast)	Progress Ratio (%)
Sales	6,967	7,866	+ 12.9 %	15,800	49.8 %	33,000	23.8 %
Operating Profit (per sales)	899 (12.9%)	933 (11.9%)	+ 3.8 %	1,900 (12.0%)	49.1 %	4,300 (13.0%)	21.7 %
Ordinary Profit (per sales)	1,198 (17.2%)	1,028 (13.1%)	- 14.2 %	1,900 (12.0%)	54.1 %	4,400 (13.3%)	23.4 %
Profit Attributable to Owners of the Parent (per sales)	839 (12.1%)	641 (8.2%)	- 23.6 %	1,250 (7.9%)	51.3 %	2,900 (8.8%)	22.1 %
Exchange Rate (JPY)	102.91	112.00	-	111.27		111.27	-

Consolidated Profit and Loss Statement

<p>Foreign exchange gains</p> <p>...Foreign exchange market was fluctuated greatly due to Brexit in FY2017 Q1.</p>	<p>FY2017 Q1 Y279 million</p>	<p>»»</p>	<p>FY2018 Q1 Y80 million</p>	<p>Ordinary Profit</p> <p>Profit Attributable to Owners of Parent</p>	<p>↓</p> <p>↓</p>
<p>Profit attributable to non-controlling interests</p> <p>...It was caused by Entrust, a group company.</p>	<p>Y10 million</p>	<p>»»</p>	<p>Y54 million</p>		

	FY2017 Q1	FY2018 Q1	YoY	
			Difference	Change (%)
Sales	6,967	7,866	+ 898	+ 12.9%
Cost of Sales (per sales)	5,272 (75.7%)	6,094 (77.5%)	+ 822	+ 15.6%
Gross Profit (per sales)	1,695 (24.3%)	1,772 (22.5%)	+ 76	+ 4.5%
SG&A Expenses (per sales)	796 (11.4%)	838 (10.7%)	+ 42	+ 5.3%
Operating Profit (per sales)	899 (12.9%)	933 (11.9%)	+ 33	+ 3.8%
Ordinary Profit (per sales)	1,198 (17.2%)	1,028 (13.1%)	- 170	- 14.2%
Profit Attributable to Owners of Parent (per sales)	839 (12.1%)	641 (8.2%)	- 198	- 23.6%

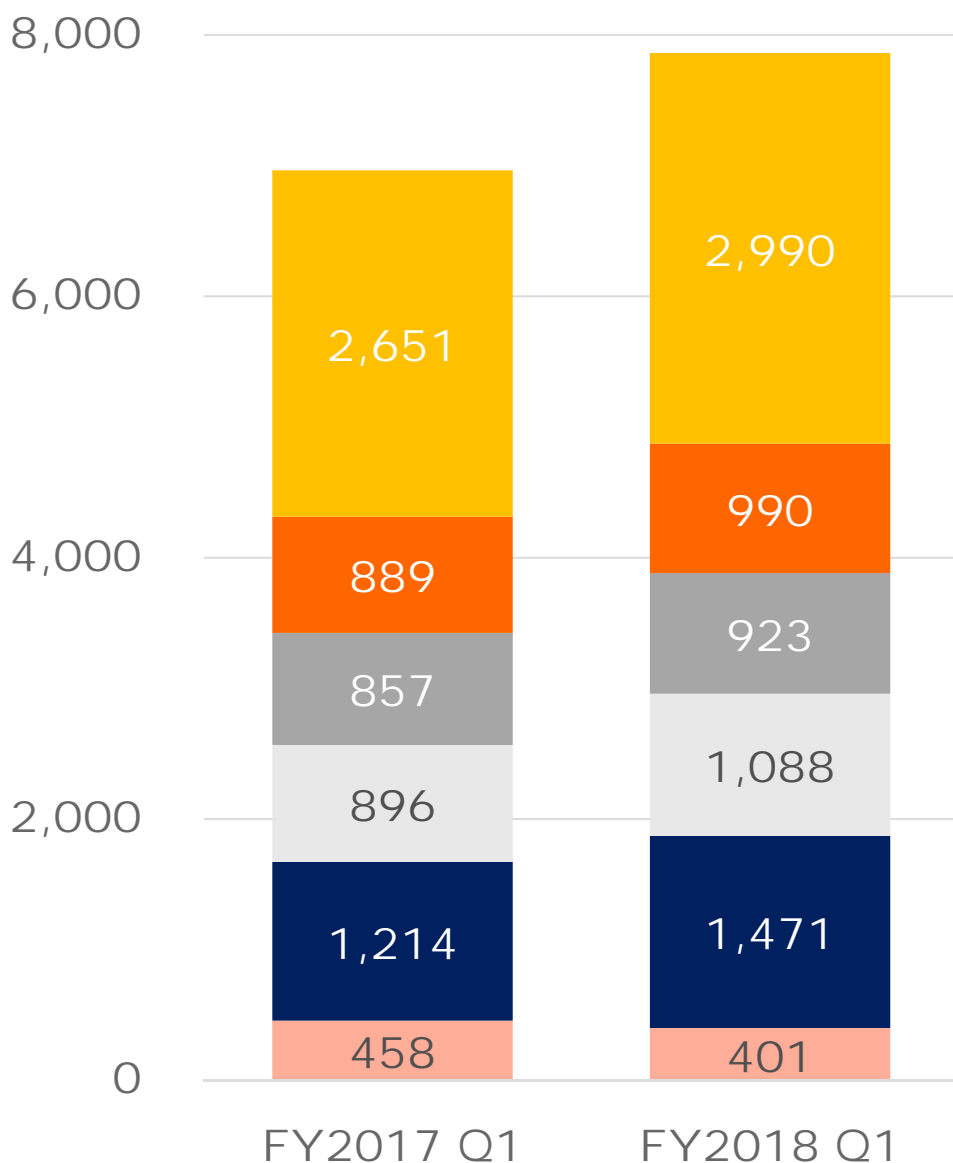
Consolidated Balance Sheets

(unit: million yen)

	FY2017	FY2018 Q1	Difference	
Current Assets	19,694	19,887	+ 193	Cash and deposits + 94 Advances paid + 177 Others - 90
Fixed Assets	10,491	10,319	- 172	Buildings and structures (net) -63 Other (Investments and other assets) - 82
Total Assets	30,186	30,207	+ 21	
Current Liabilities	6,519	6,328	- 190	Income taxes payable - 341 Other + 329
Noncurrent Liabilities	1,580	1,522	- 57	Long-term loans payable - 87
Net Assets	22,086	22,356	+ 269	Retained earnings + 291
Liabilities and Net Assets	30,186	30,207	+ 21	

FY2018 Q1 Sales (by Segment)

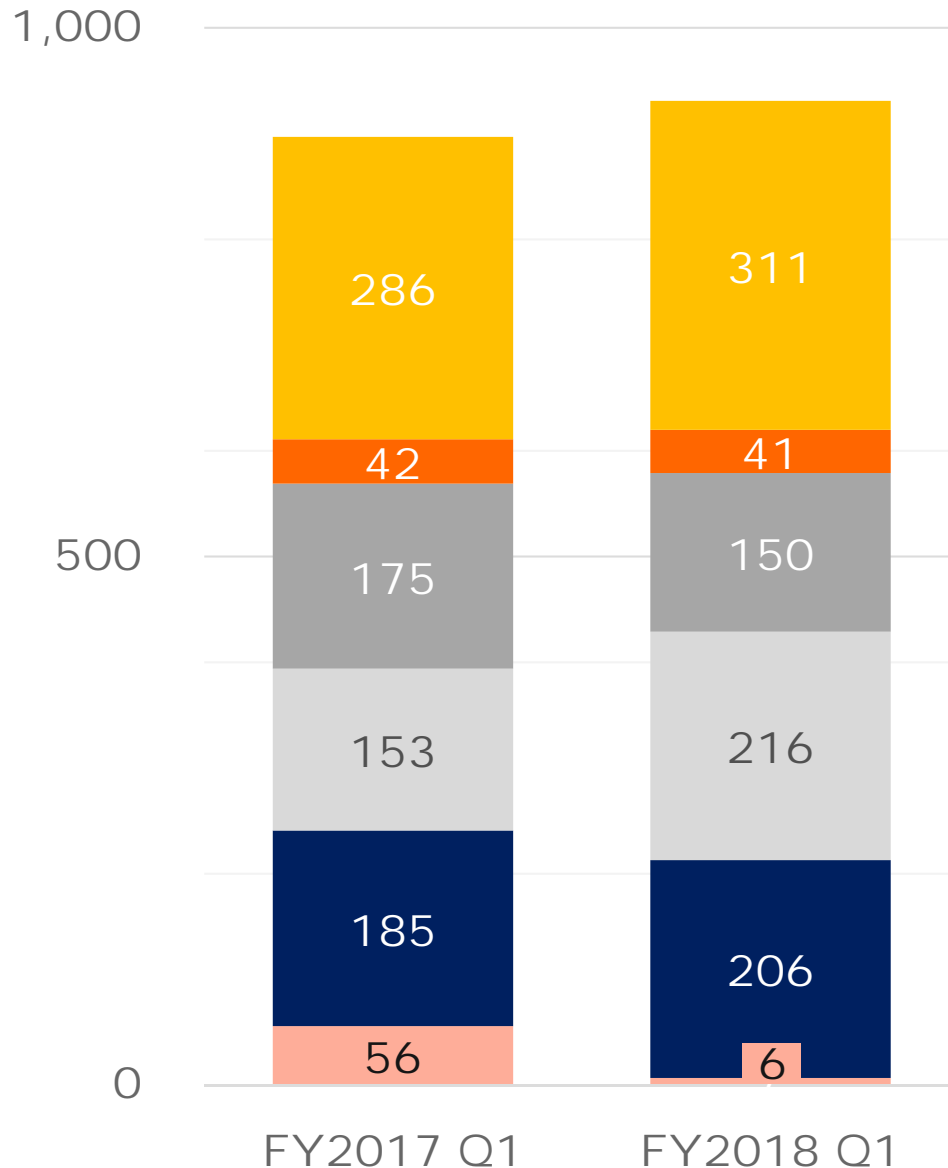
(unit: million yen)



- Roadside Assistance (YoY + 12.8%)**
 Sales increased due to new business contracts and steady growth in existing contract operations.
- Property Assistance (YoY + 11.4%)**
 Sales increased with the acquisition of new clients and growth in existing contract operations in home assistance services (Home Assist).
- Insurance BPO (YoY + 7.7%)**
 Sales increased mainly due to steady growth in overseas services (Claim Handling Services and Healthcare Program).
- Warranty (YoY + 21.4%)**
 Sales increased due to steady growth in Rent Guarantee Program and Automobile Extended Warranty Program.
- Customer Support (YoY + 21.1%)**
 Sales increased due to new business contracts in Japan and growth in existing contract operations.
- IT Solutions, Temporary Worker/ Others (YoY - 12.4%)**
IT Solutions Sales declined due to the gap caused by the new business acquisition during FY2017 Q1.
Temporary Worker/ Others Sales decreased due to lingering effect by replacement of temporary staffing operations with outsourcing contracts despite of business expansion.

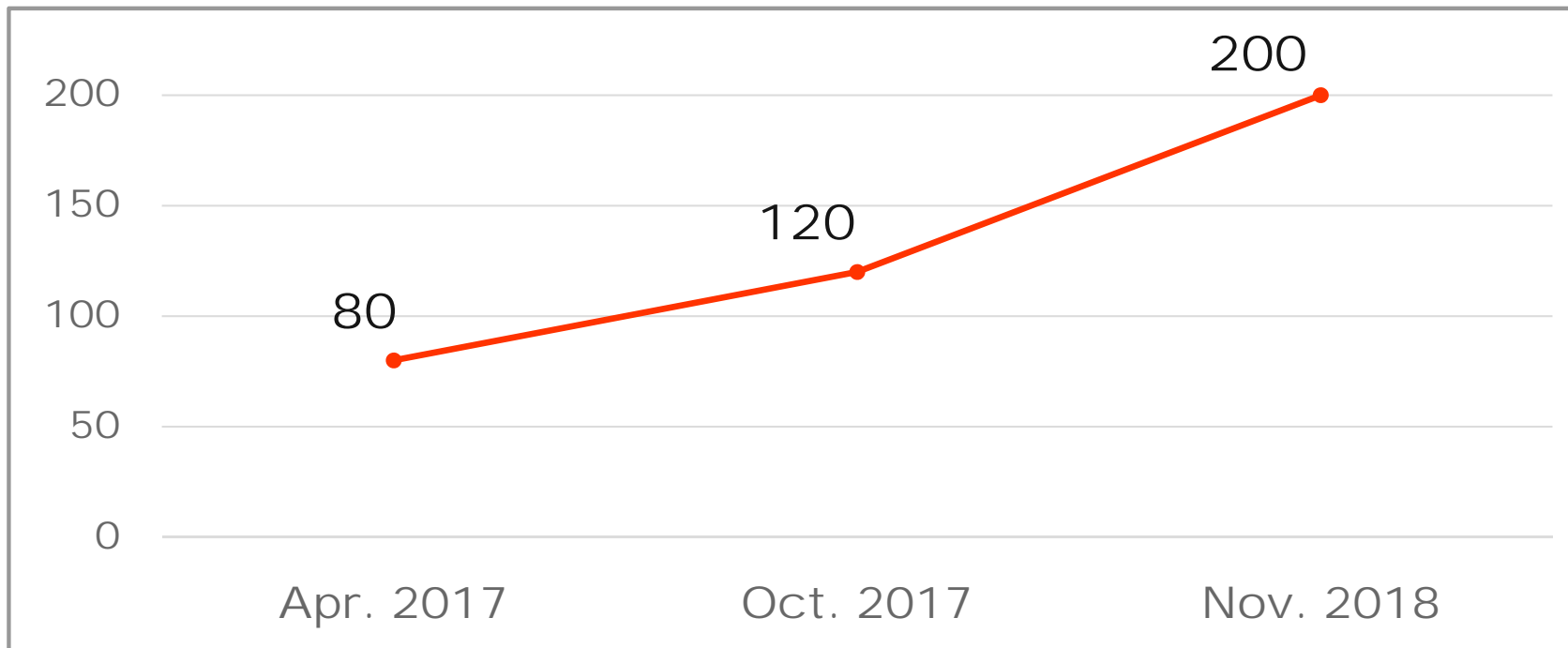
FY2018 Q1 Operating Profit (by Segment)

(unit: million yen)



- **Roadside Assistance (YoY + 8.9%)**
 Profit increased due to the growth, absorbing an increase in costs, despite prior investment to enhance on-site team operations.
- **Property Assistance (YoY - 1.9%)**
 Profit decreased because of prior investments for new business projects and enhancing on-site team operations.
- **Insurance BPO (YoY - 14.1%)**
 Profit decreased because of the cost to enhance operation systems for Japanese language service abroad.
- **Warranty (YoY + 41.1%)**
 Profit increased due to steady operations.
- **Customer Support (YoY + 11.5%)**
 Profit increased due to steady operations.
- **IT Solutions, Temporary Worker/ Others (YoY - 89.3%)**
IT Solutions Profit decreased due to the gap caused by the new business acquisition during FY2017 Q1.
Temporary Worker/ Others A loss was recorded due to the lingering effect of the replacement of temporary staffing operations with outsourcing contracts, offsetting the effects of business growth.

■ The expected number of personnel to hire for Yokote Campus where a temporary center is currently in operation



■ Local conditions for Yokote Campus recruiting

Population in commutable areas

About 220,000 people
(June 2017, Total population of Yokote, Daisen and Yuzawa city)

Effective opening to application ratio


1.22 times
(May 2017, Ministry of Health, Labour and Welfare, Akita Labour organization.)

Image of commutable areas



Recruiting is going well given that few office jobs are offered in the local area.

- 1** **Steady growth in sales and operating profit**
The gap caused by foreign exchange gains during the last first quarter influenced the bottom line.
- 2** **Business expansion by acquiring new major clients**
Regarding Roadside Assistance, Property Assistance, and Customer Support, further growth is expected.
- 3** **More prior investment**
Recruiting more personnel for on-site operation, opening Yokote temporary center and training existing personnel for major projects.



Taking solid measures to achieve the budget and a breakthrough for the next mid-term plan

Cautionary Statement

Please note that this presentation material has been prepared to provide information on our Company and is not to be construed as a solicitation of investment. Forward-looking statements in this presentation material are intended as a reference and we do not guarantee that the information will remain accurate in the future. Such forward-looking statements are subject to change without notice due to changes in business conditions including, but not limited to, changes in the economy.

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