



## **1. Summary of Financial Results for FY 2018 Q2**

## **2. Revised Earnings Forecast for FY 2018**

## **3. Looking toward H2 (major strategies)**

## **4. Topics**

# Summary of Financial Results for FY 2018 Q2

■ Sales increased by more than 10% YoY as the main businesses grew steadily.

■ Upfront investment was made in anticipation of medium-term growth.

I. Operation started at Akita BPO's Yokote Campus Center (provisional)

II. Enhancement of affiliated companies specializing in on-site work

⇒ Although operating profit margin declined, foundation laid for future growth

■ Earnings declined YoY due to reduced foreign exchange profit

(FY 2017 Q2: **Y393** million ⇒ **Y80** million) but budget goal was achieved.

(unit: million yen)

	FY2017 Q2 (actual)	FY2018 Q2 (actual)	YoY Change (%)	FY2018 H1 (original forecast)	Progress Rate (%)	FY2018 Full- year (revised forecast)	Progress Rate (%)
Sales	<b>14,206</b>	<b>15,946</b>	<b>+ 12.3%</b>	<b>15,800</b>	<b>100.9 %</b>	<b>33,000</b>	<b>48.3 %</b>
Operating Profit (sales ratio)	<b>1,776</b> ( 12.5%)	<b>1,810</b> ( 11.4%)	<b>+ 1.9%</b>	<b>1,900</b> (12.0%)	<b>95.3 %</b>	<b>4,300</b> (13.0%)	<b>42.1 %</b>
Ordinary Profit (sales ratio)	<b>2,244</b> (15.8%)	<b>1,972</b> ( 12.4%)	<b>- 12.1%</b>	<b>1,900</b> ( 12.0%)	<b>103.8 %</b>	<b>4,400</b> (13.3%)	<b>44.8 %</b>
Net Profit Attributable to Owners of the Parent (sales ratio)	<b>1,542</b> (10.9%)	<b>1,249</b> ( 7.8%)	<b>- 19.0%</b>	<b>1,250</b> ( 7.9%)	<b>99.9 %</b>	<b>2,900</b> (8.8%)	<b>43.1 %</b>
Exchange Rate (JPY/USD)	<b>101.12</b>	<b>112.73</b>	-	<b>111.27</b>		<b>111.27</b>	-

COGS ratio rose from **76.1%** ⇒ **78.0%** due to upfront investment.

→ Payback expected as full operation starts in Q3

SG&A expenses kept under control: **11.4%** ⇒ **10.7%**

Impact of foreign exchange (YoY): **+Y262** million in sales, **+Y64** million in operating profit

(unit: million yen)

	FY2017 Q2	FY2018 Q2	YoY	
	Amount	Amount	Change	% Change
Sales	<b>14,206</b>	<b>15,946</b>	<b>+ 1,740</b>	<b>+ 12.3%</b>
Cost of Sales (sales ratio)	<b>10,811</b> ( 76.1%)	<b>12,431</b> ( 78.0%)	<b>+ 1,619</b>	<b>+ 15.0%</b>
Gross Profit (sales ratio)	<b>3,394</b> ( 23.9%)	<b>3,515</b> ( 22.0%)	<b>+ 120</b>	<b>+ 3.5%</b>
SG&A Expenses (sales ratio)	<b>1,617</b> ( 11.4%)	<b>1,704</b> ( 10.7%)	<b>+ 86</b>	<b>+ 5.4%</b>
Operating Profit (sales ratio)	<b>1,776</b> ( 12.5%)	<b>1,810</b> ( 11.4%)	<b>+ 33</b>	<b>+ 1.9%</b>
Ordinary Profit (sales ratio)	<b>2,244</b> ( 15.8%)	<b>1,972</b> ( 12.4%)	<b>- 271</b>	<b>- 12.1%</b>
Net Profit Attributable to Owners of the Parent (sales ratio)	<b>1,542</b> ( 10.9%)	<b>1,249</b> ( 7.8%)	<b>- 292</b>	<b>- 19.0%</b>

# Summary of Consolidated Balance Sheets PRESTIGE INTERNATIONAL

(unit: million yen)

	FY2017 Year-end	FY2018 Q2	Change	Main Factors
Current Assets	<b>19,694</b>	<b>20,982</b>	<b>+ 1,287</b>	Cash and deposits <b>+ 881</b>
Fixed Assets	<b>10,491</b>	<b>11,095</b>	<b>+ 603</b>	Investment securities <b>+ 816</b>
Total Assets	<b>30,186</b>	<b>32,077</b>	<b>+ 1,891</b>	
Current Liabilities	<b>6,519</b>	<b>7,298</b>	<b>+ 779</b>	Others <b>+ 706</b>
Noncurrent Liabilities	<b>1,580</b>	<b>1,547</b>	<b>- 32</b>	Long-term debt <b>- 87</b>
Net Assets	<b>22,086</b>	<b>23,231</b>	<b>+ 1,145</b>	Accumulated income <b>+ 890</b>
Liabilities and Net Assets	<b>30,186</b>	<b>32,077</b>	<b>+ 1,891</b>	

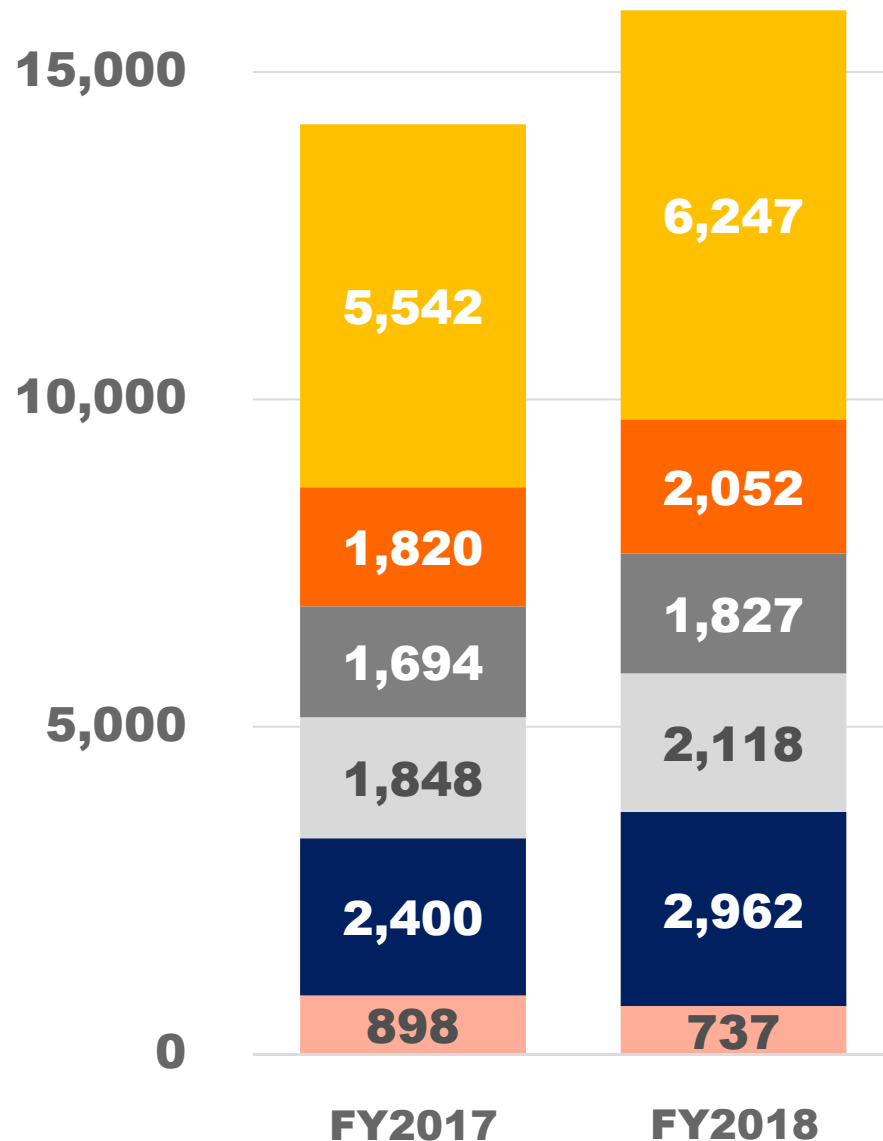
# FY 2018 Q2 Summary of Consolidated Cash Flows PRESTIGE INTERNATIONAL

(unit: million yen)

	FY2017 Q2	FY2018 Q2	Change	Main Factors
Cash Flow from Operating Activities	<b>1,533</b>	<b>1,815</b>	<b>+ 281</b>	Income before income taxes <b>+ 1,976</b>
Cash Flow from Investing Activities	<b>- 548</b>	<b>- 1,346</b>	<b>- 797</b>	Term deposit made <b>- 725</b>
(Free Cash Flow)	<b>+ 985</b>	<b>+ 469</b>	<b>- 516</b>	-
Cash Flow from Financing Activities	<b>- 197</b>	<b>- 388</b>	<b>- 191</b>	Cash dividends paid <b>- 349</b>
Effect of Exchange Rate on Cash and Cash Equivalents	<b>- 418</b>	<b>+ 57</b>	<b>+ 476</b>	-
Net Increase (Decrease) in Cash and Cash Equivalents	<b>+ 369</b>	<b>+ 137</b>	<b>- 231</b>	-
Cash and Cash Equivalents at End of Quarter	<b>8,974</b>	<b>11,879</b>	<b>+ 2,904</b>	-

# Sales by Segment (YoY)

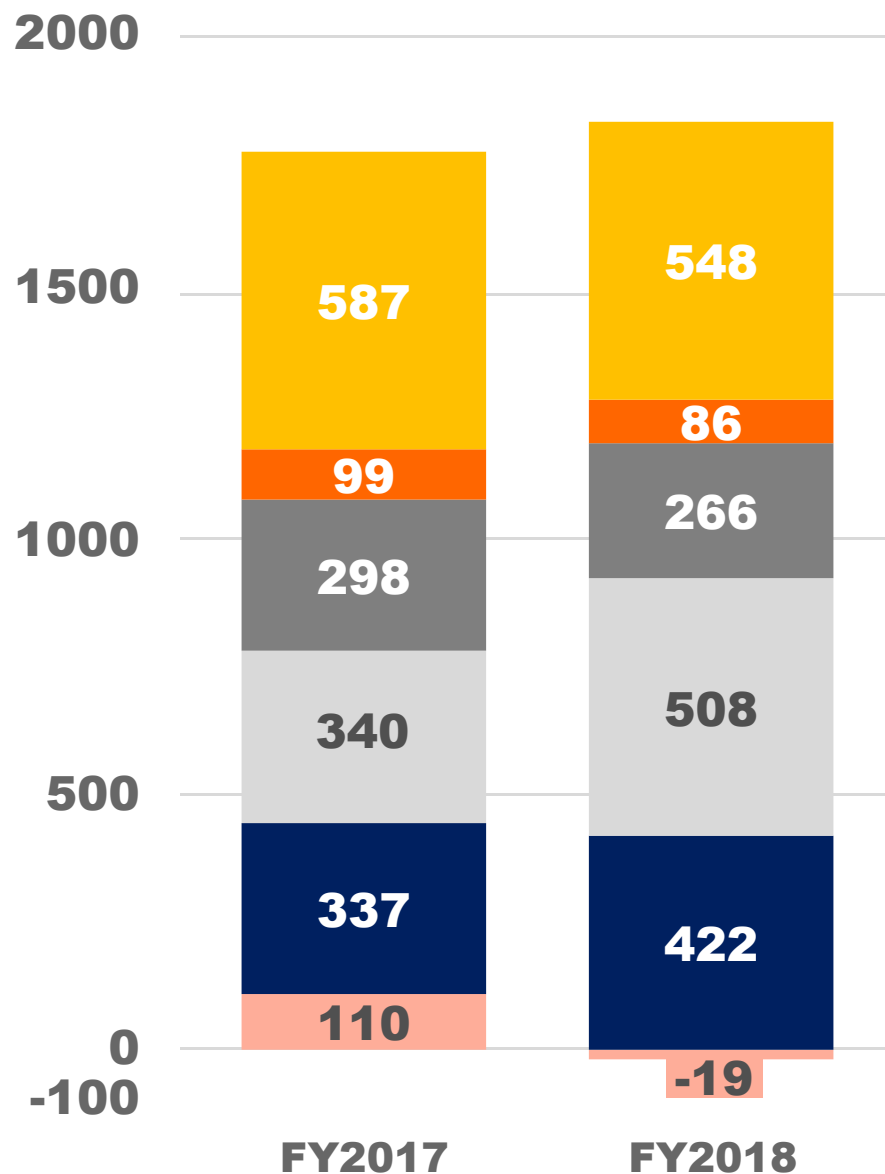
(unit: million yen)



- Roadside Assistance (YoY +12.7%)**  
 Sales increased mainly due to acquisitions of new clients during this period.
- Property Assistance (YoY +12.8%)**  
 Sales increased due to solid growth of home assistance services (Home Assist).
- Insurance BPO (YoY +7.8%)**  
 Sales increased owing to new client acquisitions and steady increase of members in the services for Japanese expatriates (Healthcare Program).
- Warranty (YoY +14.6%)**  
 Sales increased mainly because of solid growth of rent warranty and automobile extended warranty programs.
- Customer Support (YoY +23.4%)**  
 Sales increased with acquisitions of new clients and steady expansion of the existing consignment business.
- IT Solutions, Temporary Worker / Other (YoY -17.9%)**  
**IT Solutions**      Sales declined in the absence of new business deals as were recorded in FY 2017 Q2.  
**Temporary Worker / Other**      Sales declined due to continued impact from the replacement of a temporary staffing contract with a consignment contract.

# Operating Profit by Segment (YoY)

(unit: million yen)



- **Roadside Assistance (YoY -6.7%)**  
 Profit declined due to upfront expenses from the opening of Akita BPO's Yokote Campus Center (provisional), enhancement of affiliated companies specializing in on-site work, preparation of services for new clients, etc.
- **Property Assistance (YoY -13.4%)**  
 Profit declined due to upfront expenses from the enhancement of affiliated companies specializing in on-site work, preparation of services for new clients, etc.
- **Insurance BPO (YoY -10.9%)**  
 Profit declined due to the upfront cost associated with system investment to improve service value.
- **Warranty (YoY +49.3%)**  
 Profit increased mainly due to cost reduction in the rent guarantee program.
- **Customer Support (YoY +25.0%)**  
 Profit increased as the initial cost to begin service for new clients was well compensated by sales growth.
- **IT Solutions, Temporary Worker / Other (YoY -117.3%)**  

<b>IT Solutions</b>	Profit declined in the absence of new business deals as were recorded in FY 2017 Q2.
<b>Temporary Worker / Other</b>	Profit declined due to continued impact from the replacement of a temporary staffing contract with a consignment contract.



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## FY 2018 Full-year Initial versus Revised Forecast (by segment)

Forecasts were only revised for the segments upon considering the current situation.

(unit: million yen)

	Sales			
	Initial Forecast	Revised Forecast	Difference	Comments
Roadside Assistance	<b>12,900</b>	<b>12,980</b>	<b>+ 80</b>	Sales expected to increase steadily
Property Assistance	<b>4,230</b>	<b>4,300</b>	<b>+ 70</b>	Sales expected to increase steadily
Insurance BPO	<b>4,270</b>	<b>4,070</b>	<b>- 200</b>	Sales revised down after reviewing contracts, taking into account unrecognized insurance premiums
Warranty	<b>4,420</b>	<b>4,490</b>	<b>+ 70</b>	Sales expected to increase steadily
IT Solutions	<b>620</b>	<b>620</b>	<b>0</b>	No change
Customer Support	<b>5,760</b>	<b>5,740</b>	<b>- 20</b>	Careful examination of plans for new client acquisition
Temporary Worker / Other	<b>800</b>	<b>800</b>	<b>0</b>	No change
Total	<b>33,000</b>	<b>33,000</b>	<b>0</b>	No change

## FY 2018 Full-year Initial versus Revised Forecast (by segment)

(unit: million yen)

	Operating Profit			
	Initial Forecast	Revised Forecast	Difference	Comments
Roadside Assistance	<b>1,400</b>	<b>1,370</b>	<b>- 30</b>	Revised down due to the slower-than-planned enhancement of affiliated companies specializing in on-site work
Property Assistance	<b>440</b>	<b>420</b>	<b>- 20</b>	Continued startup investment for the new inspection service expected to cause an overall decrease, despite the faster-than-expected enhancement of affiliated companies specializing in on-site work
Insurance BPO	<b>680</b>	<b>670</b>	<b>- 10</b>	System investment budgeted to improve the quality of services
Warranty	<b>970</b>	<b>1,070</b>	<b>+ 100</b>	Large profit increase expected due to cost reduction in rent guarantee (Entrust Inc.)
IT Solutions	<b>100</b>	<b>100</b>	<b>0</b>	No change
Customer Support	<b>810</b>	<b>770</b>	<b>- 40</b>	Cost increase expected in card service
Temporary Worker / Other	<b>-100</b>	<b>-100</b>	<b>0</b>	No change
Total	<b>4,300</b>	<b>4300</b>	<b>0</b>	No change

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## Current hiring status at Toyama BPO Town

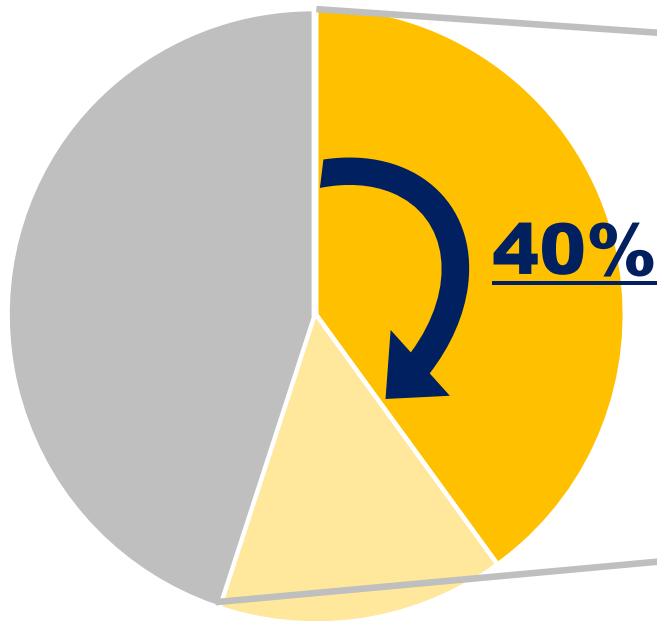
As the active job opening-to-application ratio keeps rising, steady execution of action plan is continued.

**Mar. 2017**    **1.75\***    →    **Sept. 2017**    **1.85\***

\*data from Toyama Prefectural Labor Bureau;  
Ministry of Health, Labor and Welfare

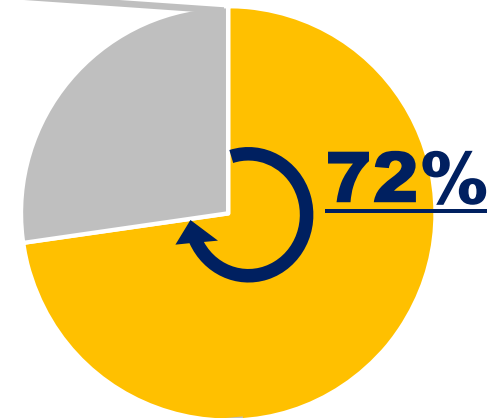
### Data as of the End of September 2017

Capacity Ratio of Toyama BPO Town



Approx. **400** persons / **1000** seats (total)

Achievement Rate against FY2018-end Target (550 persons)



Approx. **400** persons / **550** persons  
(FY2018-end target)

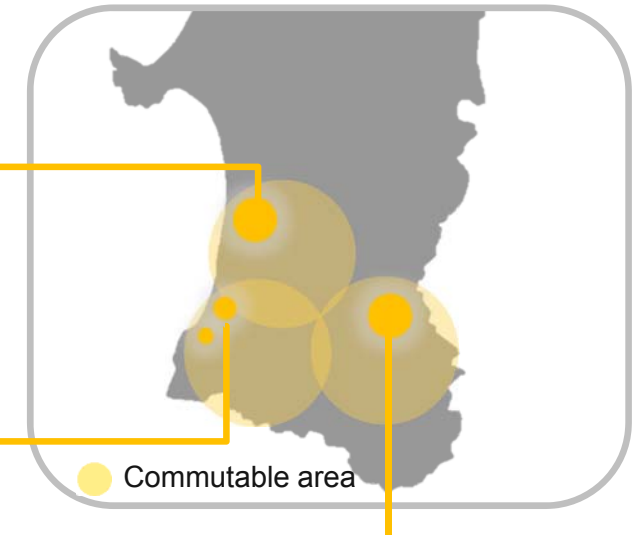
■ # of current employees    ■ # of vacant seats

# HR Strategy: Capacity Expansion in Akita Prefecture

## Establishment of Akita BPO's Yokote Campus

New operation capacity to help with Akita BPO Campus, which is already operating above **100%** capacity

Akita BPO Main Campus*	# of BPO employees	Approx. <b>1500</b> persons
	# of seats	<b>1500</b> seats
	Capacity ratio	<b>Over 100%</b>
*Akita BPO Campus		(as of the end of Sept. 2017)



Nikaho Branch (Kisakata / Hirasawa)

Akita BPO's Yokote Campus Center (provisional)			Akita BPO's Yokote Campus		
# of BPO employees	Approx. <b>100</b> persons	1. Provisional Center's operation expected to reach 100% capacity during this FY	# of BPO employees	Approx. <b>250</b> persons	
# of seats	<b>116</b> seats		# of seats	<b>500</b> seats	
Capacity ratio	<b>86%</b>	2. Capacity ratio of 50% expected when Center is fully completed and begins operation	Capacity ratio	<b>50%</b>	
(as of the end of Sept. 2017)			(forecast for when completed)		

**Strengthening of the “Home Inspection” Service**

Expand the **home inspection** service using the know-how accumulated from the **emergency service** for residence

**Three Strengths of the Inspection Service**

**Early Detection**

Provide help to end-users before they encounter real trouble!

**Demand Exploration**

Find hidden demands such as renovation

**Fee-based Business**

Potential driver of stable growth



**Establishment of the Female Inspection Team**



Our unique approach 

**Features**

- Sense of Security
- Brand Recognition
- Female Perspective

Female users can feel comfortable meeting inspectors even when alone

Opportunity for users to get to know “Premier Assist”

Can offer scrupulous, polite services

The design of this uniform was inspired by the image of a hotel concierge. We hope to provide service that is unique to PI, with extra-attentive care like at a hotel’s concierge desk.

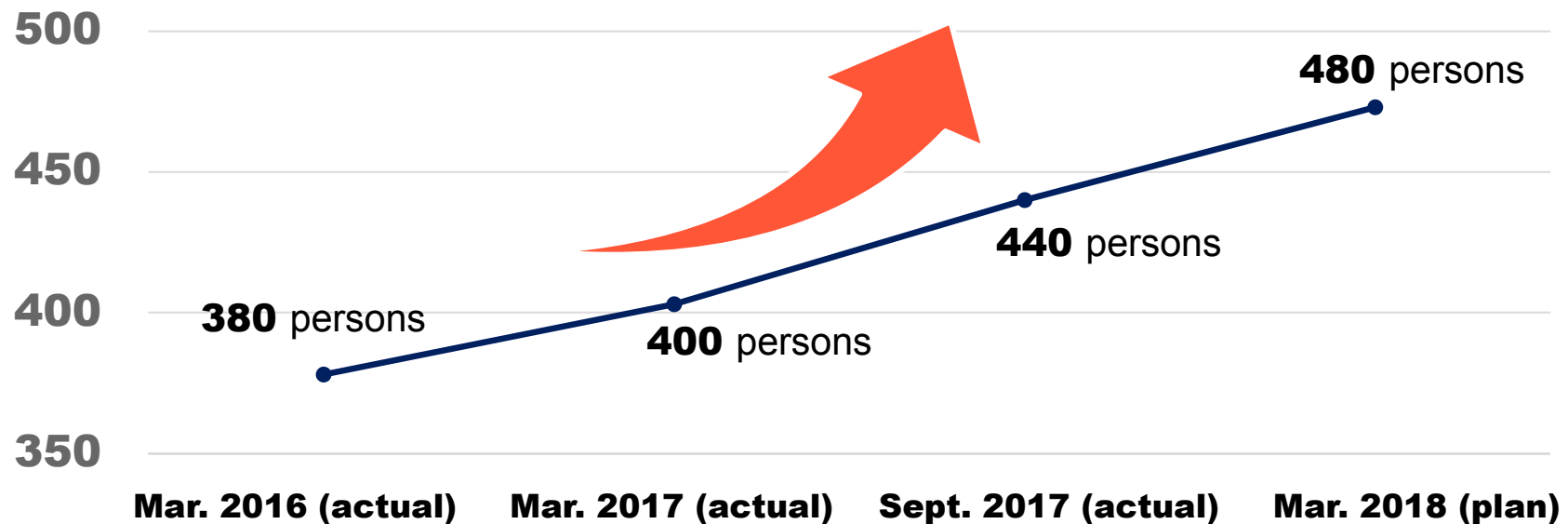
## HR Strategy for Premier Assist Holdings Inc.



### Strategy to Reinforce Hiring for On-site Services

## Change in the Number of Employees of Premier Assist Holdings Inc.

Expected to increase the number of employees by 20% YoY by the end of this FY





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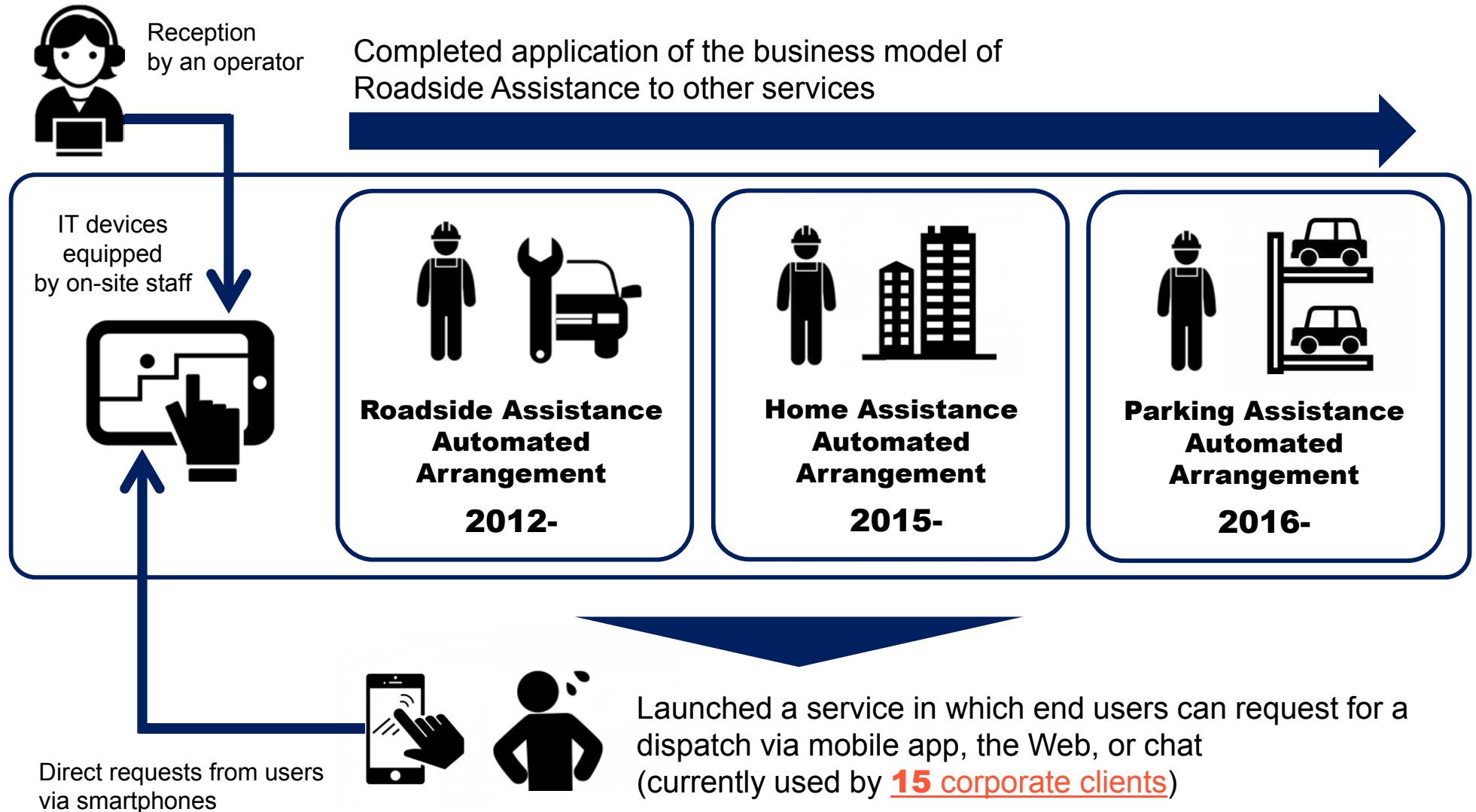
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# Topic: Development of Automated Arrangement System

Apply the automated arrangement system utilized in Roadside Assistance to Property Assistance

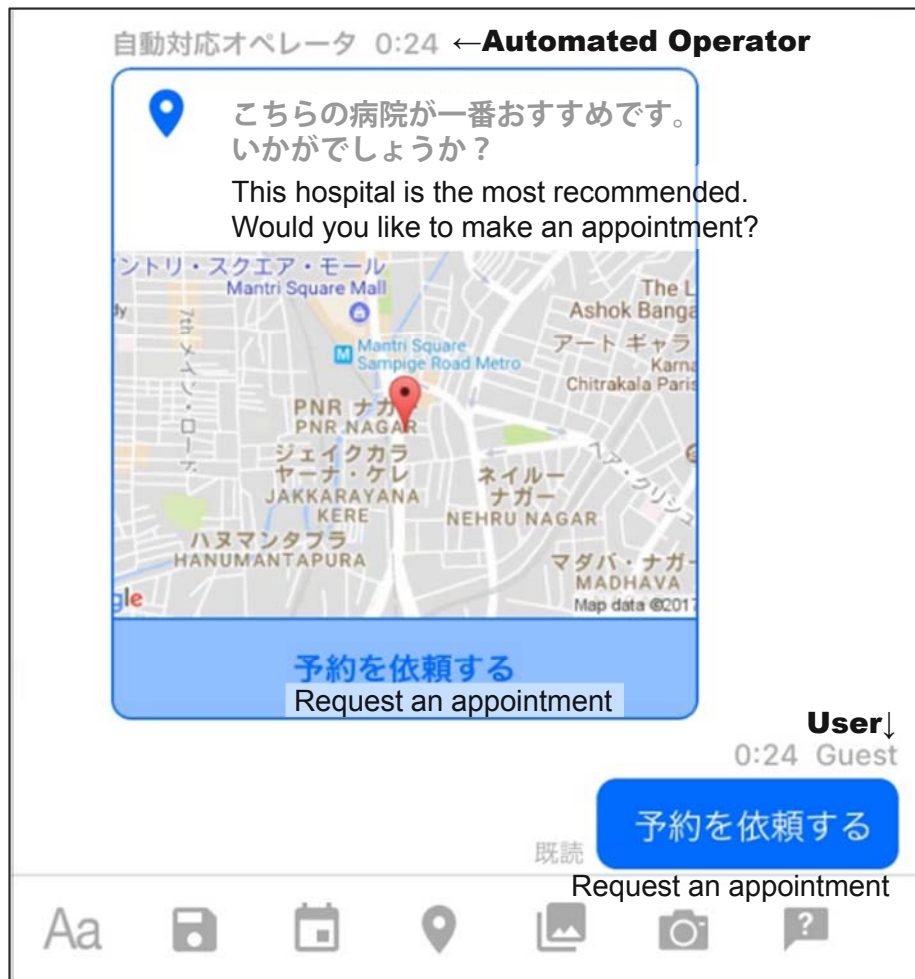


## Promote Streamlined Operation of the Healthcare Service

**Smartphone application** for end users (Japanese expatriates) to easily make hospital appointments

Now, hospital appointments can be made not only by phone but also by this special app

### ▼ Example of user interface



# Dividend Plan

## [Dividend Policy]

Returning profit to our shareholders is one of our most important management tasks. Regarding dividends, our basic policy is **to make continuous and stable payments** while considering the enhancement of internal reserves for future business plans and expansions, as well as consolidated profit levels and cash flow situations for each accounting period.

## [Payout Ratio]

We have set **the consolidated dividend payout ratio of 20% as the numerical target** for FY 2018 in our mid-term business plan and expect to achieve it.

	Dividend Per Stock (yen)			Payout Ratio (%)	ROE(%)
	Mid-Year	Year-End	Total		
FY2018 (forecast)	<b>5.00</b>	<b>5.00</b>	<b>10.00</b>	<b>21.9</b>	<b>-</b>
FY2017 (actual)	<b>3.50</b>	<b>5.50*1</b>	<b>9.00</b>	<b>20.4</b>	<b>14.0</b>
FY2016 (actual)	<b>3.00</b>	<b>4.00</b>	<b>7.00*2</b>	<b>16.4</b>	<b>16.1</b>

\*1 Includes Y2 of commemorative dividends for the 30th foundation anniversary and the IPO of a subsidiary

\*2 As of October 1, 2016, we performed a two-for-one stock split, with dividends for FY 2016 retrospectively adjusted.

## **1 Continued growth supported by the expansion of existing businesses and the addition of new businesses**

Although upfront costs arose from the preparation of new businesses, profit and improved quality are expected in Q3 onward.


## **2 Execution of strategic upfront investment**

Action plan for the enhancement of affiliated companies specializing in on-site work and the completion of Akita BPO's Yokote Campus

⇒ Make business profitable by increasing market share and improve service quality

## **3 Continued challenge in hiring**

Considering a system in which each office can proactively engage in the process



**1. Continue strategic efforts to form the basis for the next mid-term business plan**

**2. Make steady preparations for attaining stable, sustainable growth**