

Financial Results for FY 2018

– Financial Results Summary and New Mid-Term Business Plan –

(Note) Each financial year ends on March 31st.

June 5th, 2018

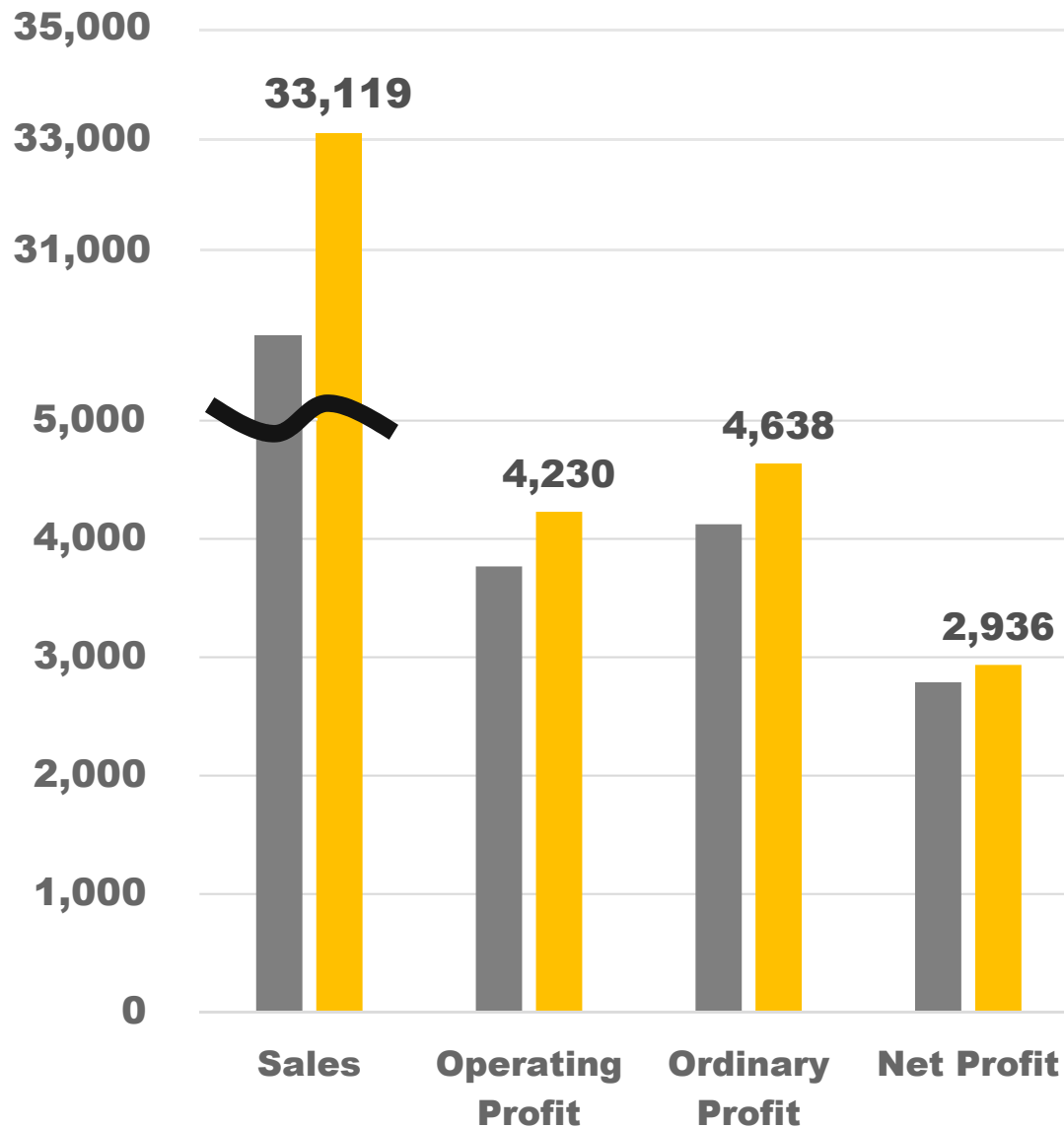
1. Financial Results Summary for FY 2018

2. Financial Results Forecast for FY 2019

3. Mid-Term Business Plan “HOP3”

FY 2018 Consolidated Financial Results

(unit: million yen)



Sales **YoY +12.4%**

Increased from continued growth thanks to new client acquisitions and development, provision, etc., of services concerning energy deregulation

Operating Profit **YoY +12.3%**

Increased due to expansion of business field leading to profit opportunities despite below-expectation operation of Toyama BPO Town opened in April 2016

Ordinary Profit **YoY +12.5%**

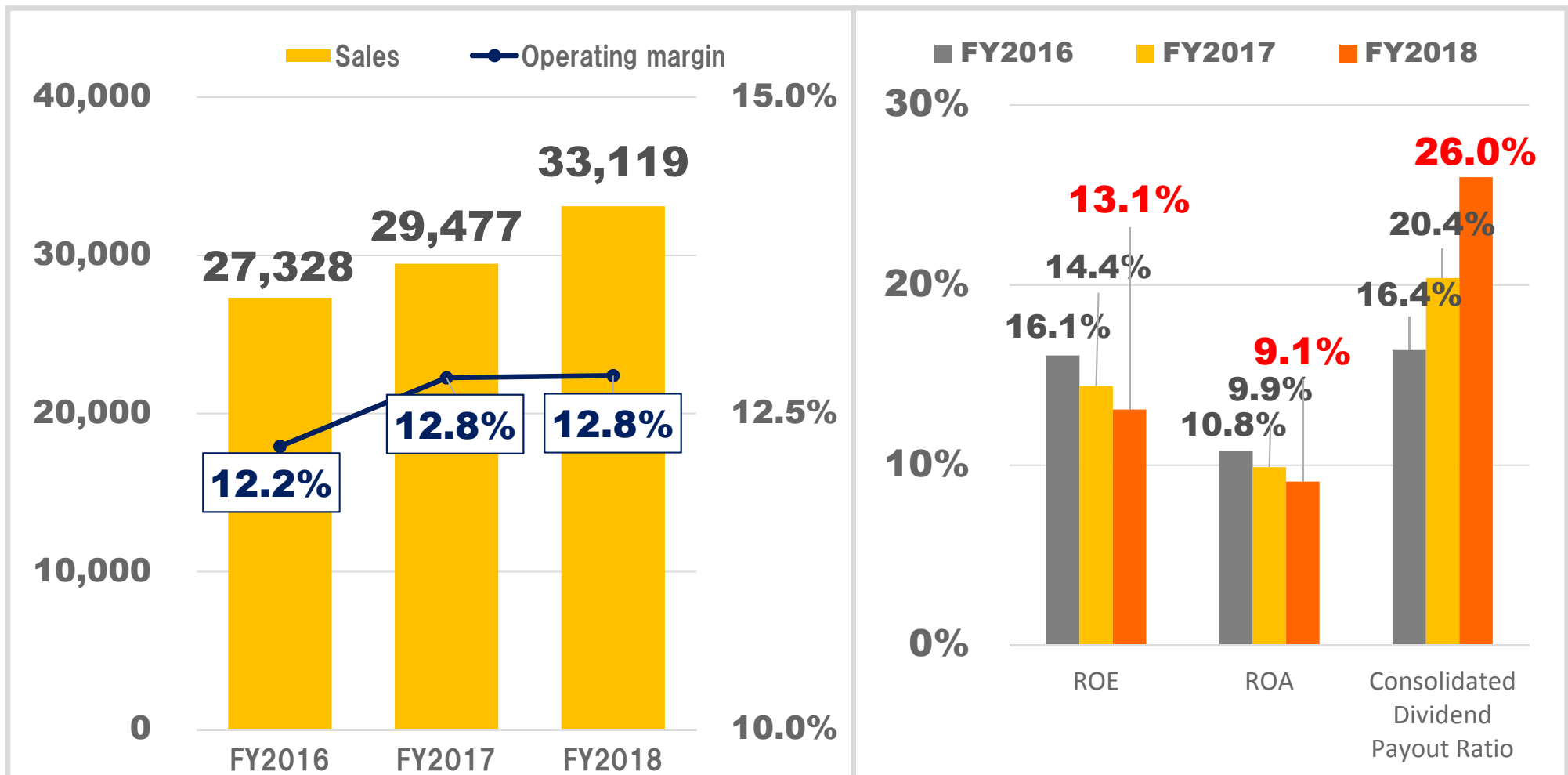
Increased mainly due to foreign exchange gain of Y**168** mill and investment gain on equity method of Y**164** mill

Net Profit Attributable to Owners of the Parent **YoY +5.3%**

Grew thanks to advantage of scale gained from business expansion of the PI Group as a whole

Reflecting on the Mid-Term Business Plan

- Sales Despite new client acquisitions and development and provision of services concerning energy deregulation, target of **Y35,000** mill unachieved as recruitment progress was below expectation
- Operating Profit Target of **13%** unachieved due to below-expectation operation of Toyama BPO Town
- ROE & ROA Unachieved due to increased assets and net assets from the public offering of Entrust
- Dividend Payout Ratio Goal achieved with continued increase in dividend

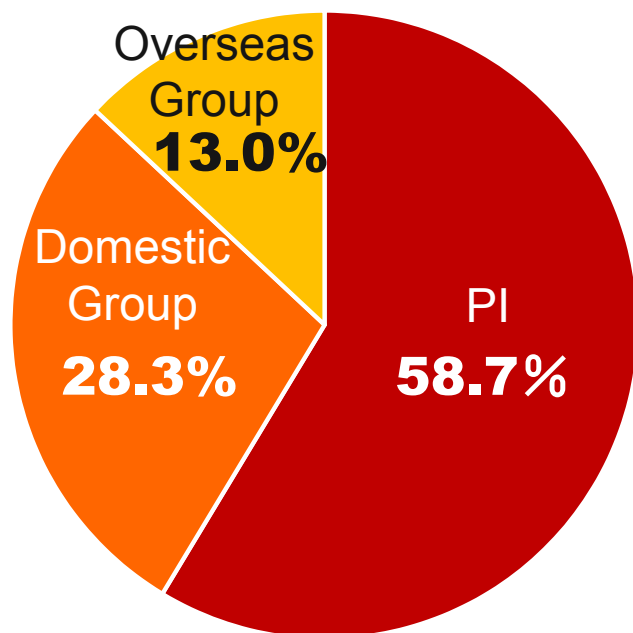


Domestic/Overseas Group Company Results

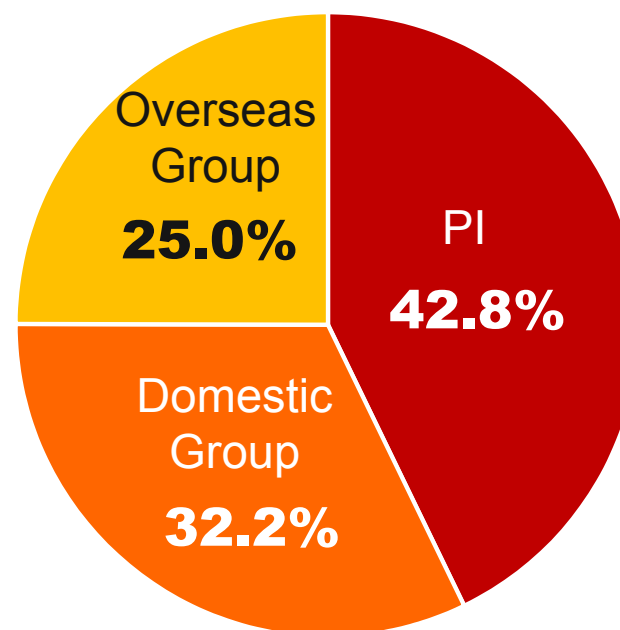
Sales Composition: Same trend as previous year

Operating Profit Composition:	[PI Alone]	Good results from steady growth of the main businesses
	[Domestic Group]	Decreasing compared to last FY due to upfront investment in group companies specialized in on-site work
	[Overseas Group]	Decreasing due to continued transfer of assessment services to domestic group companies

**Sales Composition
(simple sum)**

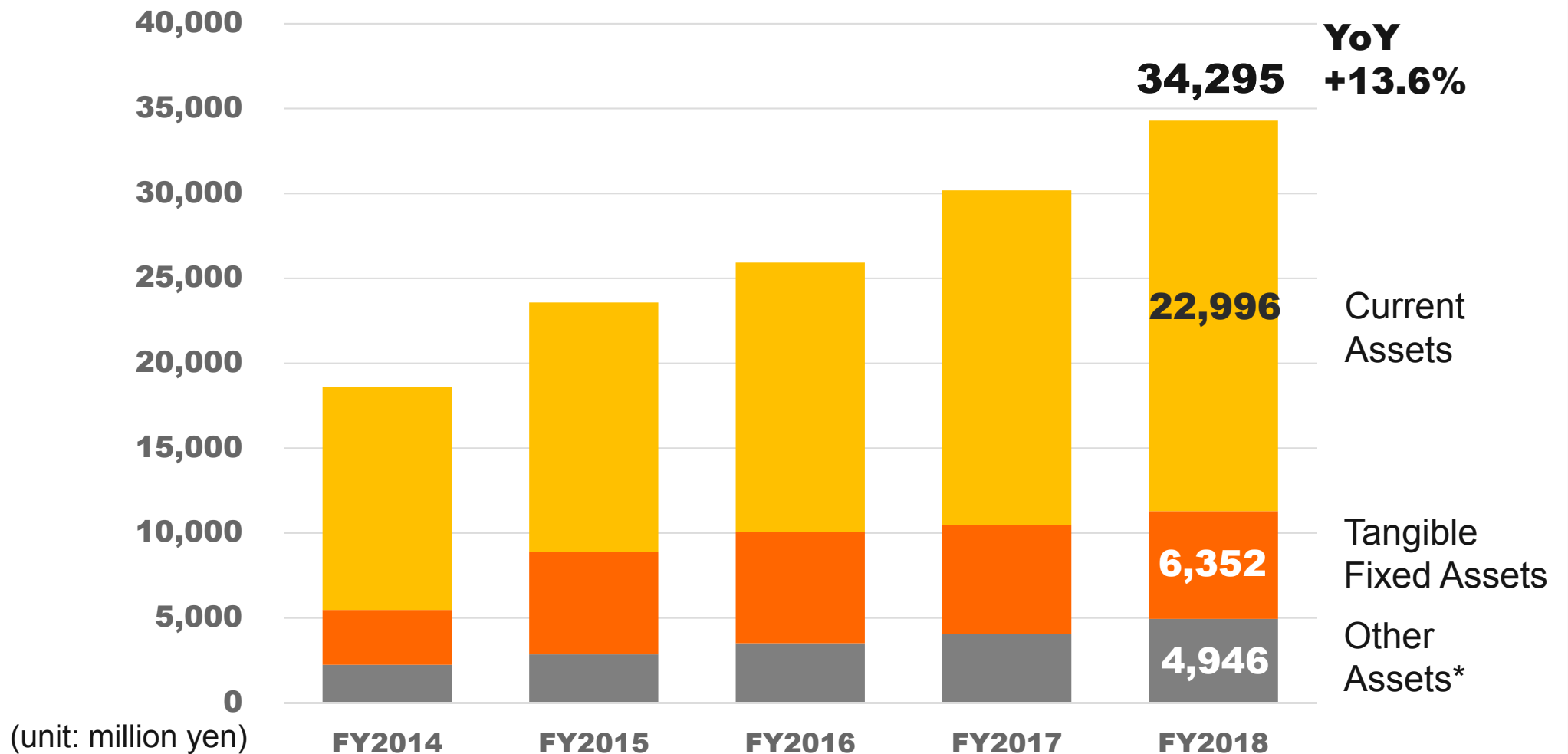


**Operating Profit Composition
(simple sum)**



Assets

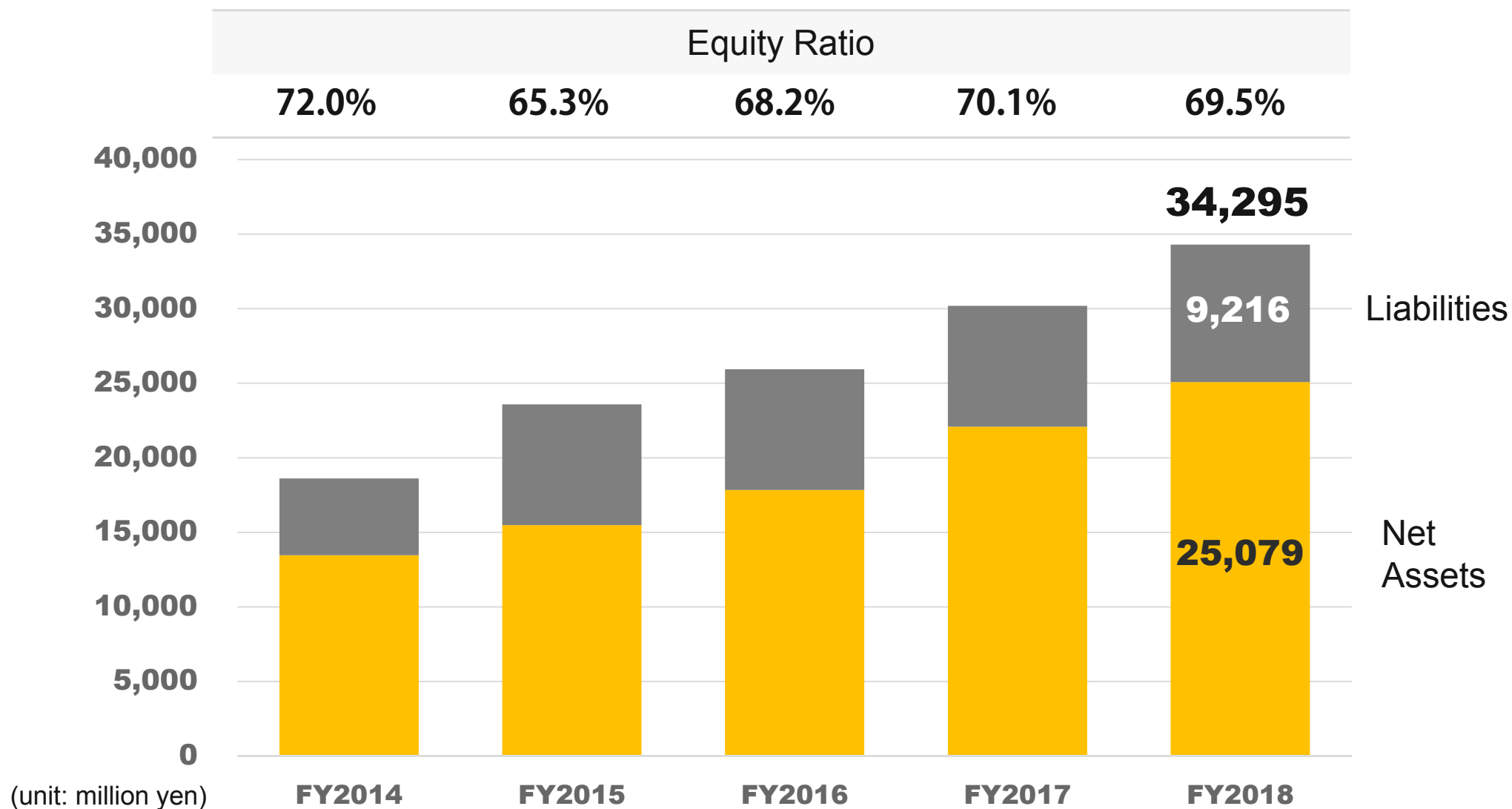
- Current assets: Increased due to cash inflow from accumulated net profit and public offering of Entrust
- No large change in other assets



* Intangible fixed assets + investments and other assets

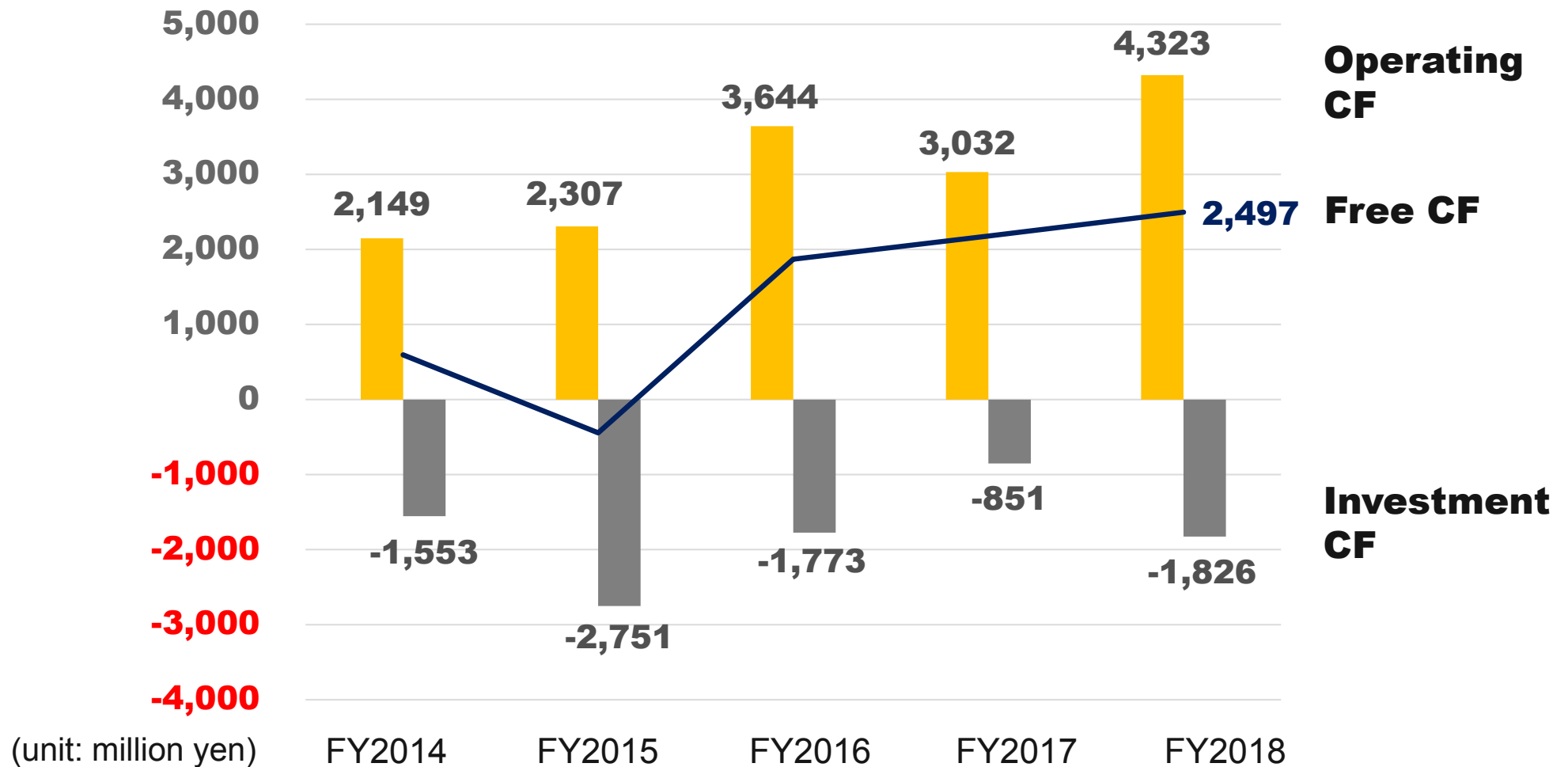
Liabilities / Net Assets

Net assets: Increased with posting of net profit and public offering of Entrust



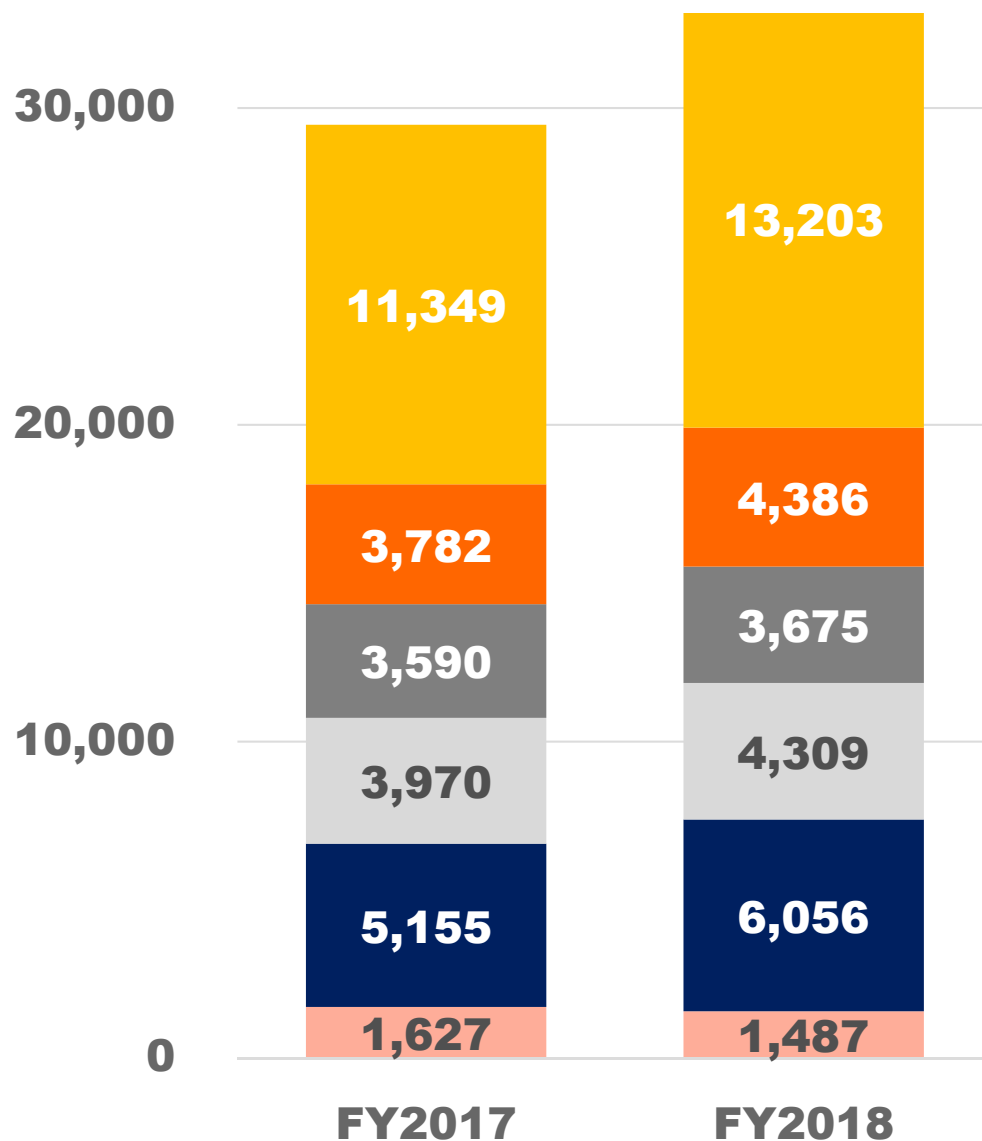
Cash Flow

Due to steady accumulation of operating CF, stable free CF has been maintained.



Sales by Segment

(unit: million yen, % YoY in parenthesis)



- Roadside Assistance** (YoY +**16.3%**)
 Increased due to new client acquisitions and steady progress of current businesses

- Property Assistance** (YoY +**15.9%**)
 Increased from solid growth of home assistance services (Home Assist)

- Insurance BPO** (YoY +**2.4%**)
 Greater sales thanks to new client acquisitions in services for Japanese expatriates (Healthcare Program)

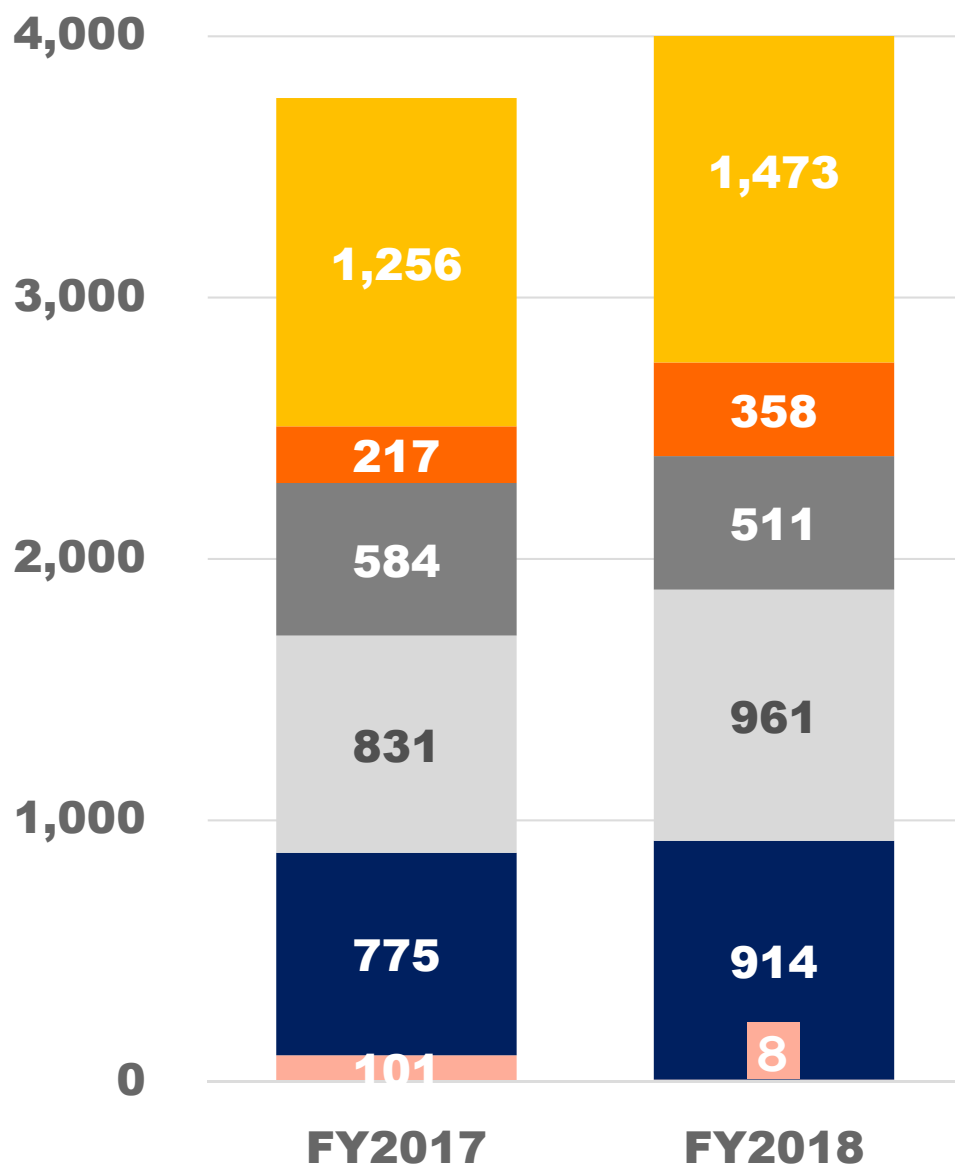
- Warranty** (YoY +**8.5%**)
 Increased with solid growth of current rent warranty and automobile extended warranty programs

- Customer Support** (YoY +**17.5%**)
 Grew due to solid output from current large-scale consignment business

- IT Solutions, Temporary Worker / Other** (YoY **-8.6%**)
 - IT Solutions** Decreased compared to last FY when new development deals were recorded
 - Temporary Worker / Other** Increased from steady growth of nursing care business

Operating Profit by Segment

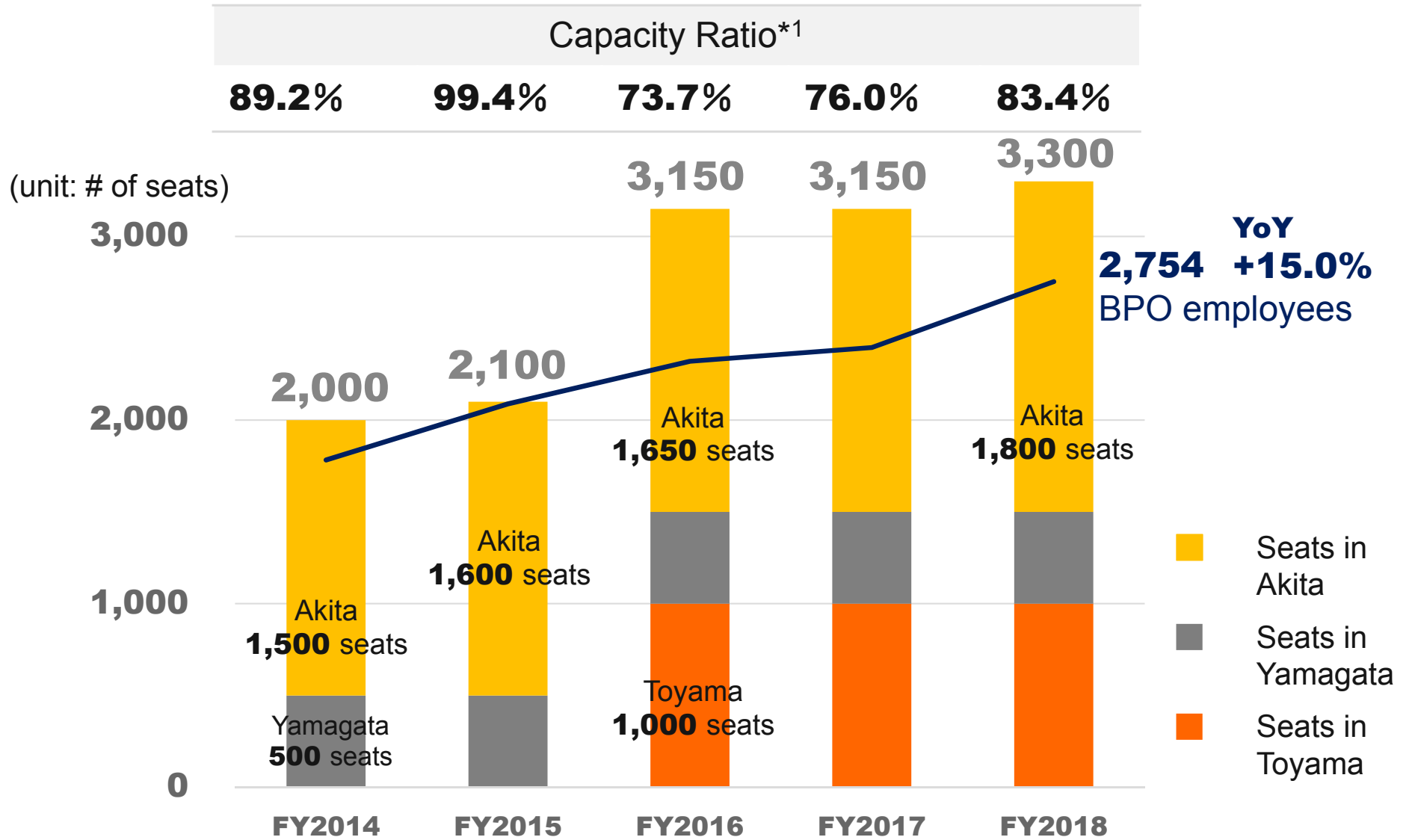
(unit: million yen, % YoY in parenthesis)



- **Roadside Assistance** (YoY +**17.3%**)
 Increased due to fruits of upfront investment in group companies specialized in on-site work, etc.
- **Property Assistance** (YoY +**64.7%**)
 Increased due to fruits of upfront investment in group companies specialized in on-site work, etc.
- **Insurance BPO** (YoY -**12.5%**)
 Decreased due to fewer contracts for overseas Japanese-language-based services and costs from organizational enforcement for the future
- **Warranty** (YoY +**15.7%**)
 Grew mainly due to cost reduction in rent warranty program through advantage of scale
- **Customer Support** (YoY +**18.0%**)
 Increased with stabilized operation for clients acquired this FY
- **IT Solutions, Temporary Worker / Other** (YoY -**92.1%**)
 - IT Solutions** Decreased compared to last FY when new development deals were recorded
 - Temporary Worker / Other** Loss recorded from continued effect of switching from temporary staffing to consignment contract

[Reference]

Change in the Number of Seats and Capacity Ratio at BPO Sites



*1 Capacity Ratio = # of domestic site employees / # of domestic site seats

Since the number of domestic site employees is represented by the total number at the end of the year (including part-time workers), the capacity ratio may exceed **100%** depending on the shift schedule, etc.

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3. Mid-Term Business Plan “HOP3”

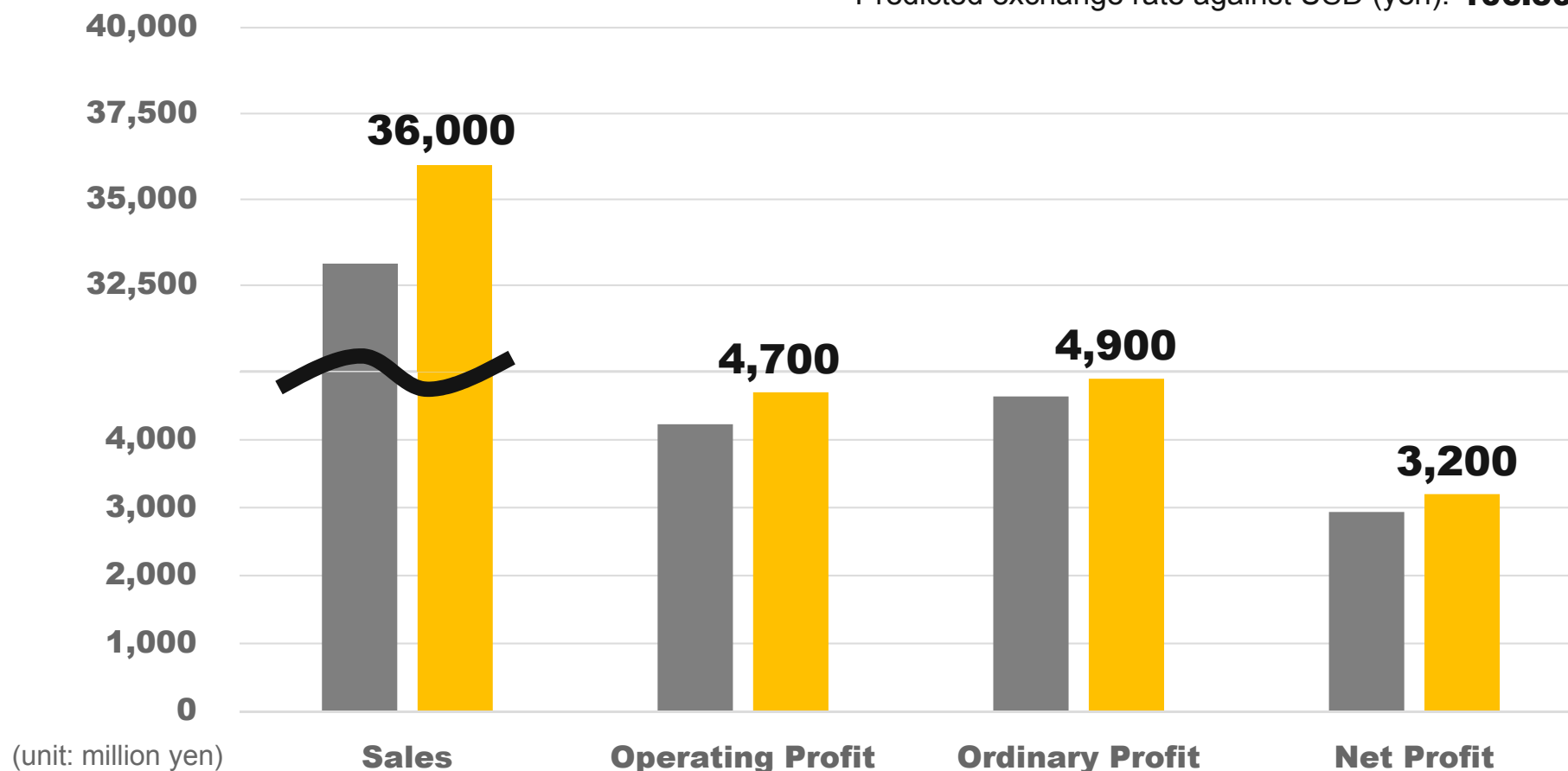
Summary of Financial Forecast for FY 2019

Both sales and operating profit are expected to stably increase at about 10%.

Sales (YoY +8.7%) No plan for large new business deals, but steady growth of current business expected

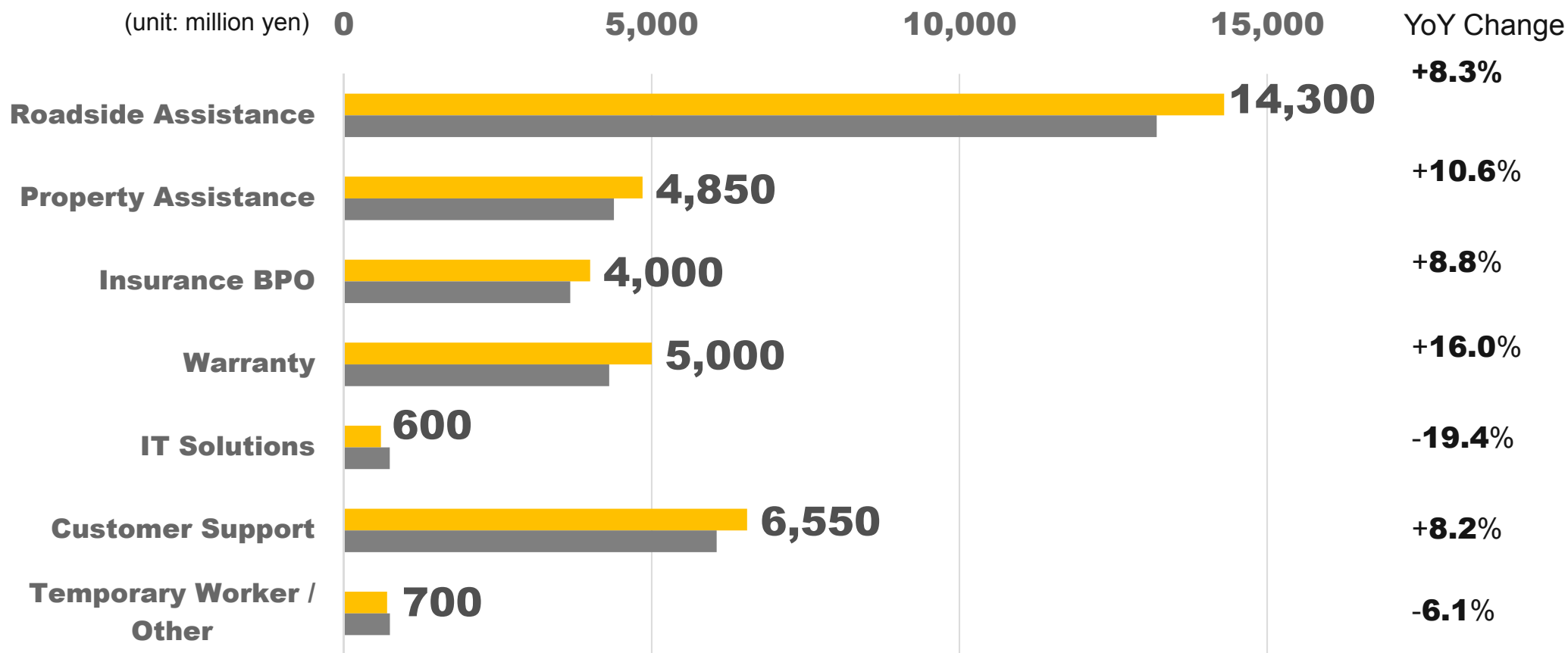
Operating Profit (YoY +11.1%) Aim for increased profit margin by focusing on improving Toyama BPO Town's operation rate and operation of group companies specialized in on-site work

Predicted exchange rate against USD (yen): **106.30**



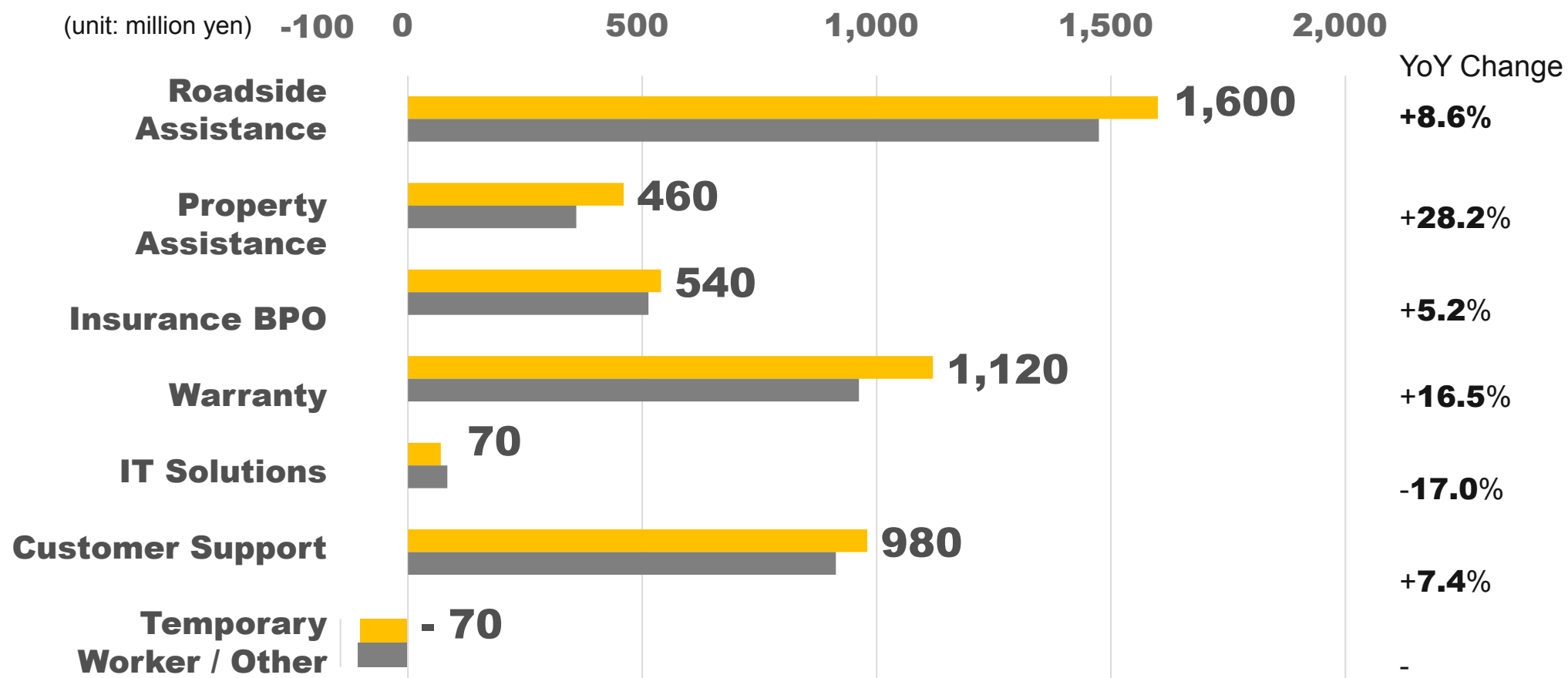
FY 2019 Sales Forecast by Segment

- **Roadside Assistance** Aim for steady growth of services for nonlife insurance companies and expansion of services for car manufacturers
- **Property Assistance** Aim for steady expansion of business field
- **Insurance BPO** Growth to be driven by the Healthcare Program for Japanese expatriates
- **Warranty** Continued rent warranty expansion and progress in new services development
- **Customer Support** Focus on enhancing added-value of services by utilizing BPO facilities and stable growth expected in overseas card services

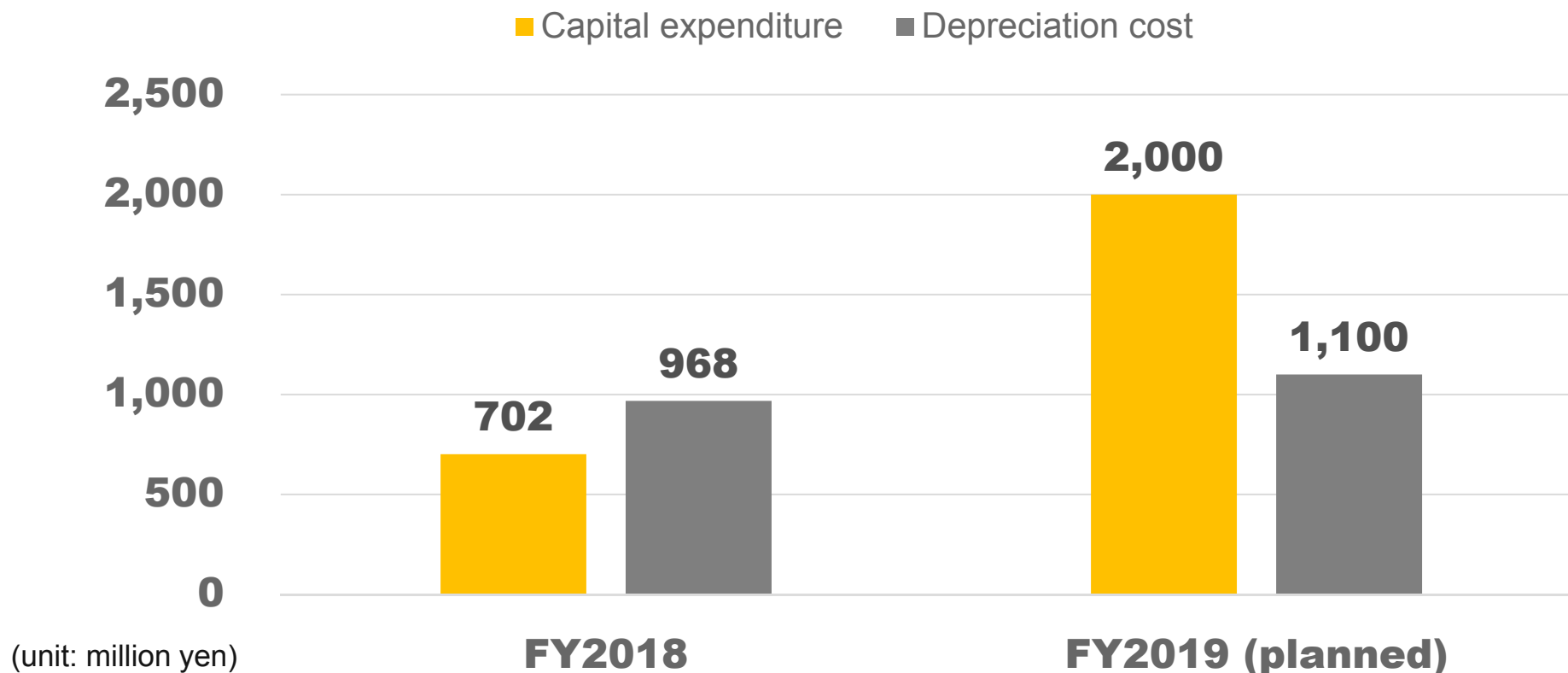


FY 2019 Operating Profit Forecast by Segment

- Property Assistance** Expected improvement in profitability of current services while upfront investment in service development continues
- Warranty** Growth to be driven by highly profitable rent-warranty-related services



Capital Expenditures and Depreciation Costs



FY2018		FY2019			
Major Capital Expenditures		Major Capital Expenditures (planned)			
Construction-in-progress account	Y174 mill	Toyama General Training Center	Approx. Y1,000 mill	IT Investment	Approx. Y500 mill

Mid-Term Business Plan “HOP3”

– Forecast and Strategy for FY 2019 to FY 2021 –

1. Overview

2. Retention Strategy: Businesses

3. Retention Strategy: Regional Revitalization and HR

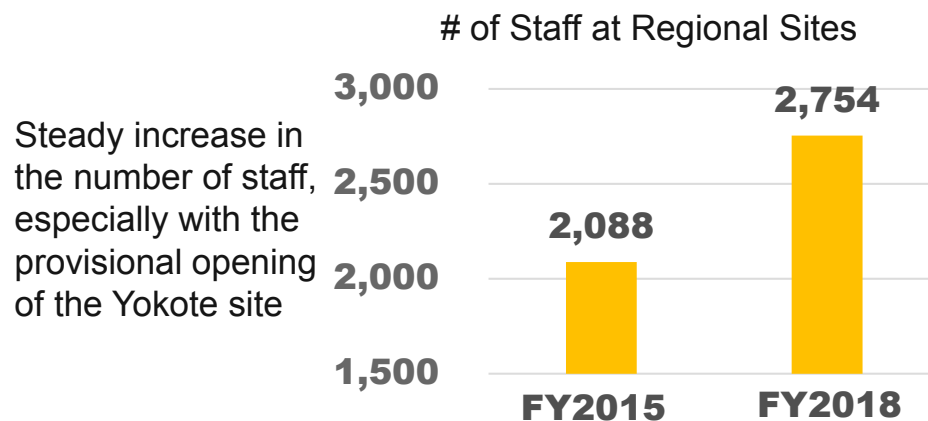
4. Dividend Plan

Achievements for Each Major Goal

1 Continuous and Steady Growth

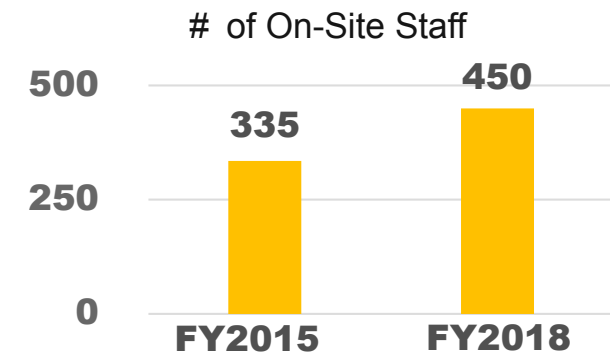
- Consecutive record-highs achieved for both sales and operating profit
 - Maintained long-term, steady relationships with clients
- Actual case: FLA

3 Creation and Continuation of Employment in Local Cities



2 Creation of Services that Only PI Can Provide

Expansion of group companies specialized in on-site work



4 Creation of Employment Opportunities for Women

- Appointment of a female executive officer
The another step toward engaging women in management
- Greater popularity of female sports teams



Great feedback on sports / health promotion programs in local communities

More than **2000** followers total on SNS!

Tasks Remaining for Each Major Goal

1 Continuous and Steady Growth

- Lost client-acquisition opportunities due to lack of resources

Roadside Assistance

Could not achieve the goal of **80%** for the % coverage of emergencies by PI's on-site team

Insurance BPO

Uncompleted preparation for the establishment of sites in Central America and South Asia

3 Creation and Continuation of Employment in Local Cities

- Relatively high job turnover rate at the Toyama site

Akita	7.8%	
Yamagata	11.7%	
Toyama	<u>15.2%</u>	(FY2018)

→ Implement HR measures matching the culture of each site

2 Creation of Services that Only PI Can Provide

- Reinforcement of the on-site team's functions

Roadside Assistance / Property Assistance

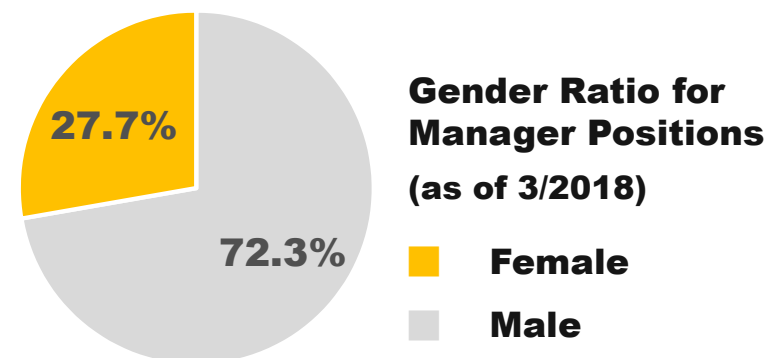
Uncompleted multi-skill training of staff specialized in on-site work

Augmenting the popularity of PREMIER Assist

→ Raise popularity as a service provider of roadside services and home assistance

4 Creation of Employment Opportunities for Women

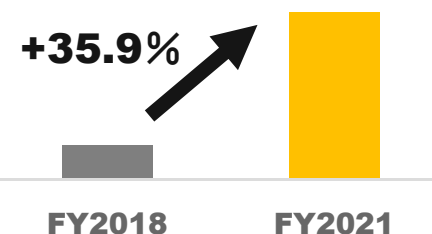
- Increase the percentage of female managers



Numerical Targets for the Mid-Term Business Plan “HOP3”

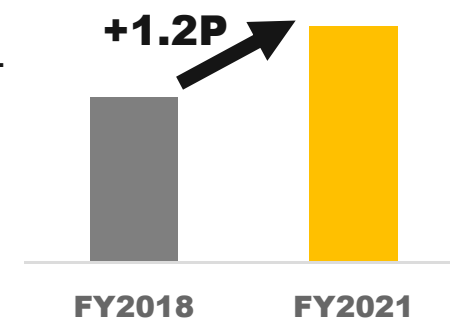
Sales Y45 billion

- Develop new businesses and enhance current businesses in preparation for market changes
- Keep the annual growth goal of approx. **10%**



Operating Profit Margin 14%

- Improve efficiency via mobile apps, etc.
- Keep the annual growth goal of approx. **10%**



ROE 15%

ROA 10%

- Maintain the same level as the last mid-term business plan
- **ROE**: Effectively use financial leverage
- **ROA**: Maintain asset efficiency while continuing with the upfront investment process

Total Return Ratio 30%

- Minimum cash position: Three months of total annual sales
- Plans for shareholder return policies such as dividends and share buybacks

1 Continuous and Steady Growth

Aim for improvement of service quality as well as development of the current services through geographic expansion

2 Creation of Services that Only PI Can Provide

Develop new services in new fields beyond the current industry norms

3 Creation and Continuation of Employment in Local Cities

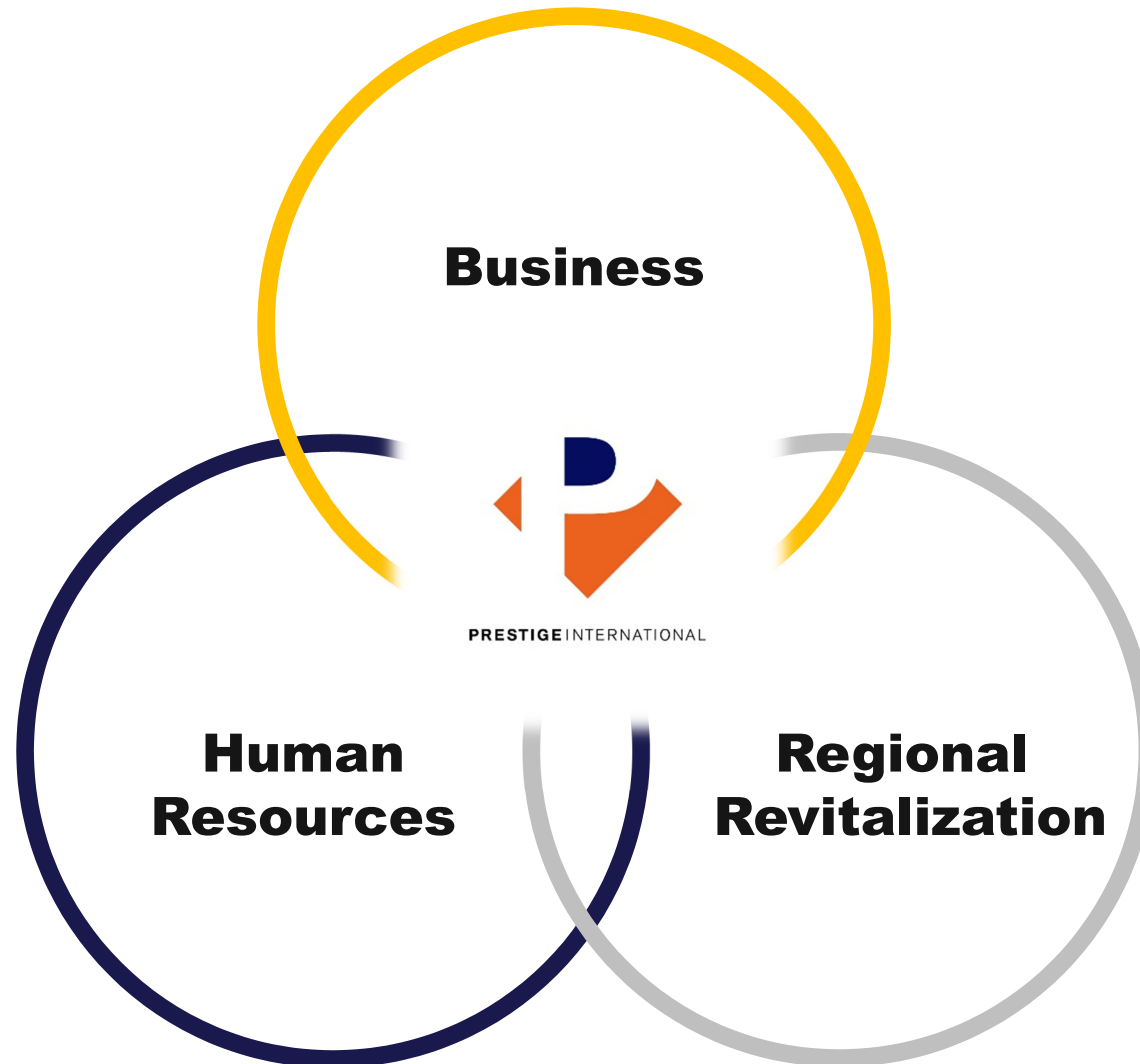
Contribute to the revitalization of local communities of a broader region as well as developing a workplace for the younger generations to be able to work near their hometown with a rewarding sense of satisfaction

4 Creation of Employment Opportunities for Women

Employment creation program and promotion of working styles meeting each worker's stage in life

Major Theme of the Mid-Term Business Plan “HOP3”: Retention

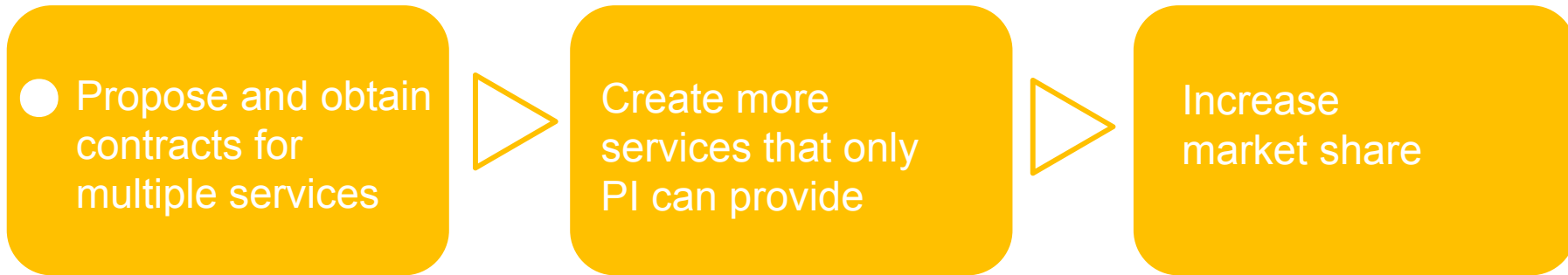
- Three key components necessary to maintain steady growth



Major Theme of the Mid-Term Business Plan “HOP3”: Retention

Retention processes

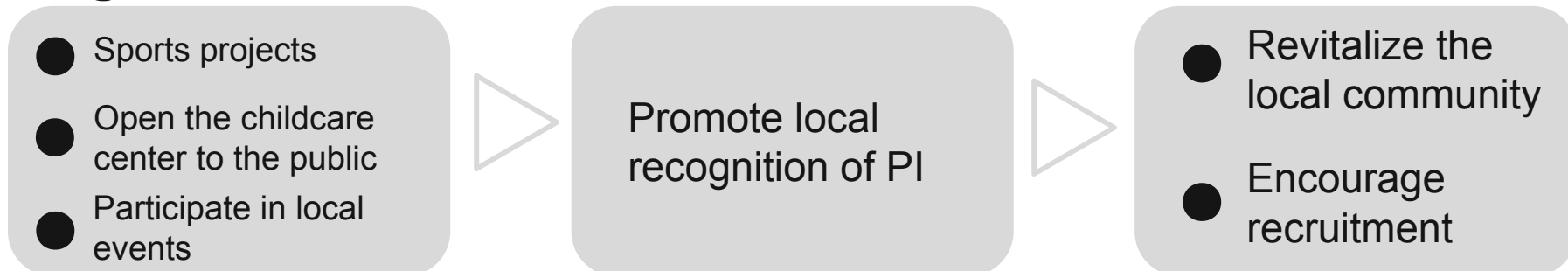
Business



HR



Regional Revitalization



1. Overview

2. Retention Strategy: Businesses

3. Retention Strategy: Regional Revitalization and HR

4. Dividend Plan

Take advantage of the market change brought by technology innovations

Market Analysis

Non-Life Insurance Market

- Steady rise in the number of dispatches due to greater service usage rate
- Steady increase in the online and mutual aid insurance membership due to the advantage of price
- Limited market share expansion

→ **Stable-growth phase**

Auto Maker Market

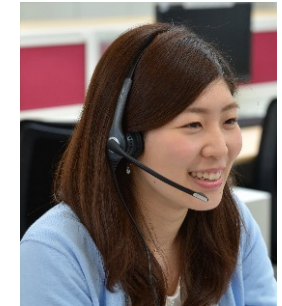
- Shift in target client from importers to domestic automobile makers
- Increased necessity for a new assistance service

→ **Growth phase:**
Target of focused investment

PI's Strategies

1 Improvement of operation skills

- Training of multi-skilled operators and experts of certain areas

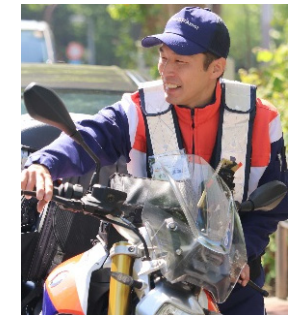


2 Introduction of AI-based systems

- Allow for a quick response with improved processing speed

3 Continued expansion of the on-site team

- Network enhancement throughout Japan
- Raise quality of on-site response



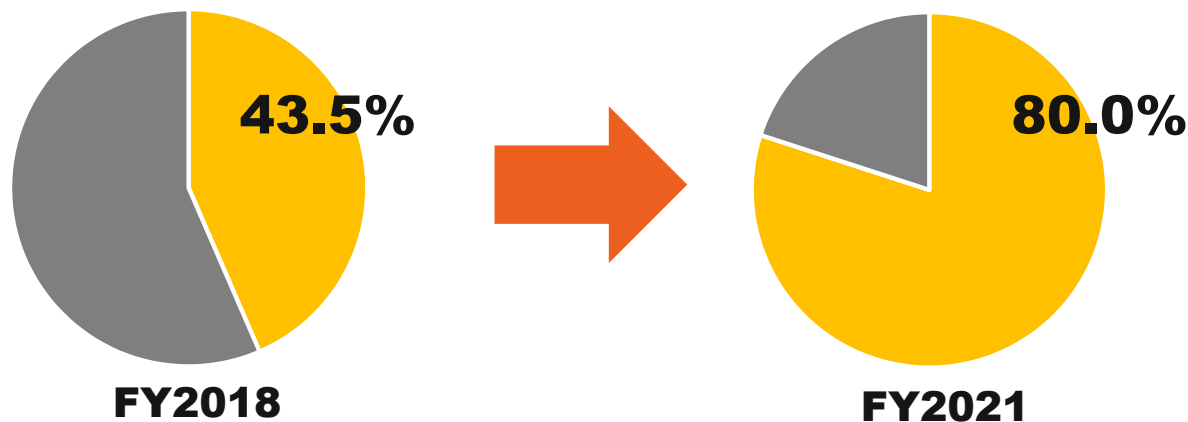
Main Strategies

Branding of PREMIER Assist	Opening of Toyama General Training Center	Network Enhancement
<ul style="list-style-type: none"> Attentive and reliable service unique to PREMIER Assist Improve staff retention with internal branding 	<ul style="list-style-type: none"> Consolidate the training system for improved service quality Also utilize as a remote support site for on-site work 	<ul style="list-style-type: none"> Franchising in areas other than major cities such as the Tokyo metropolitan area Organize PI's subcontractors 

Premier Road Assist

Raise the % coverage of on-site emergencies while implementing the above strategies

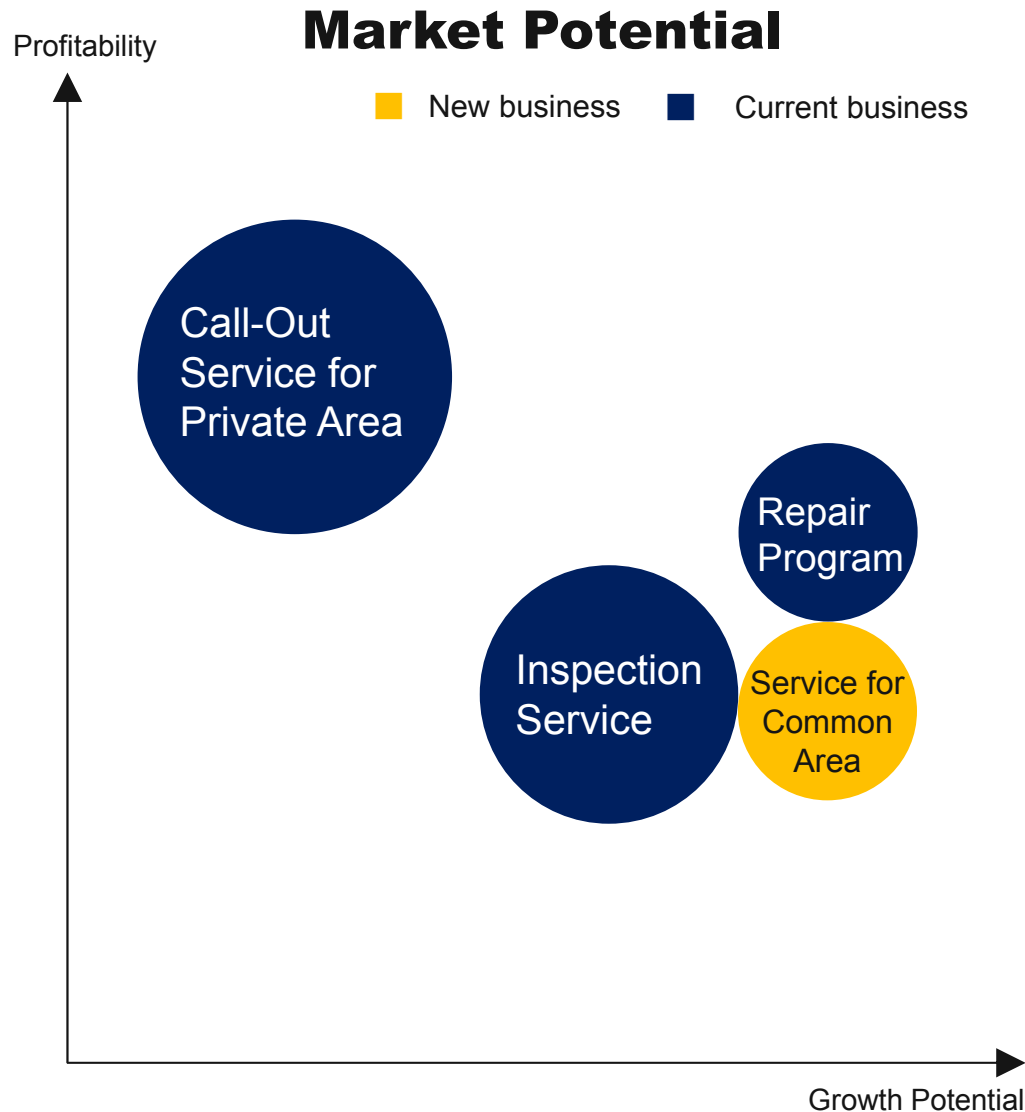
[PI Group's % Coverage of On-Site Emergencies]



Business: Property Assistance

Retention services for residents are the key to growth

A high-potential business involved in various areas of the market



PI's Strategy

1 Development of new businesses

1. Service for common area

Use know-how from the call-out service

2. Repair (reform) program

Begin full-on commitment as one of the major businesses of Property Assistance

2 Expansion of current businesses

1. Residence record sheets for the preservation of real estate value

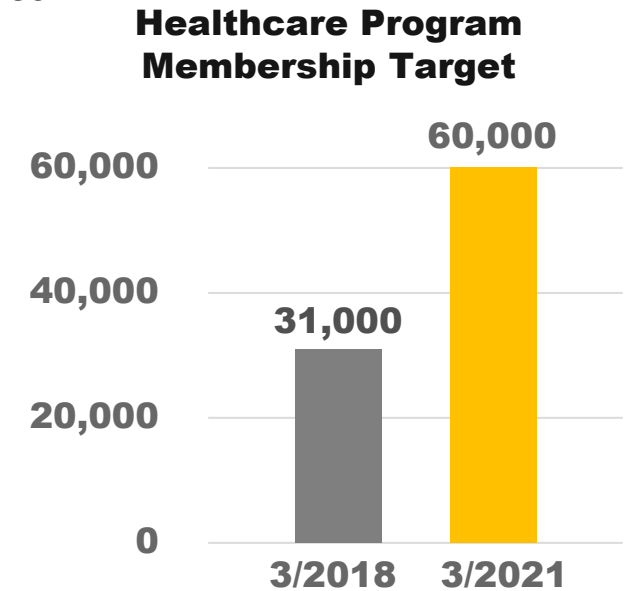
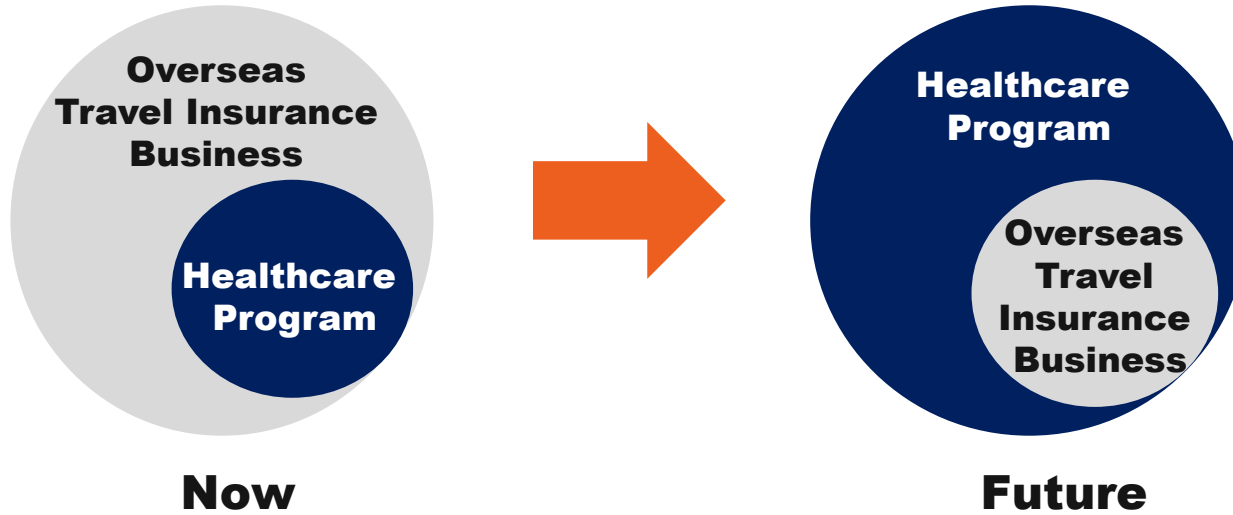
Increase the added-value of the residence
extended warranty program

2. Expansion of the inspection business

Find new customers not only among developers but also brokers

Healthcare program as the main business

Concentrate investment in the healthcare program as PI's new growth area



Strategy

1 Strengthen global network



▲Regions to be focused on

2 Enhancement of healthcare program

1. Expand target clients of the program:
e.g., exchange students
2. Add to the service lineup:
e.g., pre-departure medical checkup
3. Enhance on-site response quality:
Upgraded services for emergency transport and interpreter arrangement

Business: Warranty / Customer Support

Warranty

Apply the know-how for warranty services to other areas

Area	Rent Warranty	New Area (medical / nursing)	Automobile Extended Warranty	Household Equipment Warranty	Product Warranty
Goals	Steady increase in contracts	Improve service popularity	Optimize and streamline operation	Steady increase in contracts	Shift target clients in the communications sector from MVNO to mega-carriers

Customer Support

Continue role as PI's service development division

Contact Center

- Target: Growth market and clients
- Areas of focus: Credit card, communications, wearables

→ Stable-growth phase

Cards Business

- Maintain its value as a retention service
- Concentrate available resources in the U.S.

→ Stable-growth phase

1. Overview

2. Retention Strategy: Businesses

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4. Dividend Plan

■ Grow with the local community



Major strategy 1: Create and sustain employment by opening new facilities

Region	New Facility	Capacity	Overview of Facility
Akita	Akita BPO's Yokote Campus	500 seats	Contact center (4/2019)
	Akita BPO's Nikaho Campus (concept)*	200 seats	Contact center (2020 onward)
Yamagata	Expanded Yamagata BPO Garden	+500 seats	Contact center (11/2020)
	Tsuruoka Branch	150 seats	Contact center (8/2018)
Toyama	Toyama General Training Center	-	Training facility for the on-site team (6/2019)
Other	Aomori Branch (Aomori Prefecture)	100 seats	Contact center (7/2018)

*Branch facilities in Hirasawa and Kusakata will be consolidated

Planning to create facilities in other regions as well!

Major strategy 2: Investment in regional revitalization activities

Co-sponsored **“Prestige International presents TGC TOYAMA 2018 by TOKYO GIRLS COLLECTION”** as a premium partner (Platinum Partner) under the common goal of enlivening the local community

Purposes

1. Promote the active participation of women in local communities
2. Contribute to the revitalization of local communities as a local company
3. Improve recognition of PI as a local company



Measures to improve HR retention

1 Strengthen management to meet the needs of each major regional site by incorporating each site

Sites with full-time senior executive officer



Akita BPO Campus



Yamagata BPO Garden

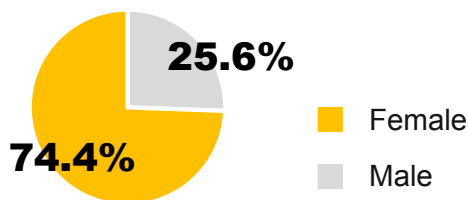


Toyama BPO Town

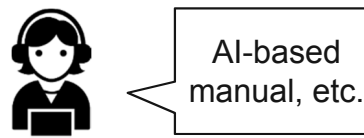
2 Appointment of PI's first female director

Also appointed as the person-in-charge of the promotion of women's active participation at the regional sites

% Female Staff at Regional Sites (As of the end of March 2018)



3 Alleviate operation workload by upgrading the IT system

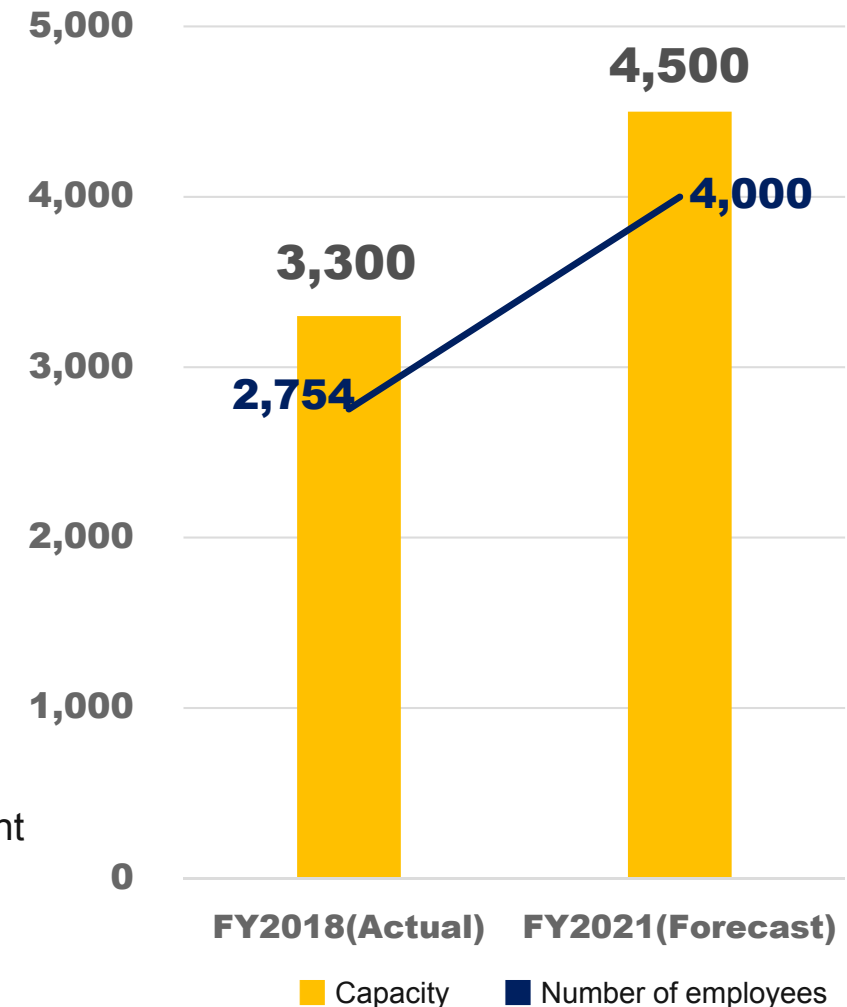


4 Enrichment of welfare program and improvement of evaluation system

Development of job-specific step-up career path



Predicted number of employees at domestic BPO sites



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4. Dividend Plan

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]

While taking into account the above dividend policy, we will implement dividend strategies toward the achievement of **a total return ratio of 30% in FY 2021** as set forth in the new mid-term business plan beginning in FY 2019.

	Dividend Per Stock (yen)			Payout Ratio (%)	ROE(%)
	Mid-Year	Year-End	Total		
FY2019(forecast)	6.00	6.00	12.00	23.9	-
FY2018(actual)	5.00	7.00*1	12.00	26.0	13.1
FY2017(actual)	3.50	5.50*2	9.00	20.4	14.0

*1 Includes Y2 of commemorative dividend for the listing of a subsidiary on the 1st section of TSE

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

*3 As of October 1, 2016, we performed a two-for-one stock split, with dividends for FY 2017 retrospectively adjusted.

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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