

# Financial Results for First Quarter Fiscal Year 2019

July 27th, 2018



Prestige International Inc.  
Security Code: 4290

# Financial Results Summary for the First Quarter Ended March 2019



- Year-on-year increase in revenue and profit was secured.
- The progress in the first half was firm at around 50%.
- Aim to expand the business area and acquire revenue growth opportunities to achieve the goal on a full business year basis.

(unit: million yen; fractions of less than one million are rounded off)

	FY2018 1Q (Result)	FY2019 1Q (Result)	Year-on-year comparison (%)	FY2019 Forecast for the first half	Progress against the forecast for the first half (%)	FY2019 Full-year forecast	Progress against the full-year forecast (%)
Sales	7,866	8,630	+9.7%	17,200	50.2%	36,000	24.0%
Operating Profit (vs. Sales)	933 (11.9%)	978 (11.3%)	+4.9%	2,000 (11.6%)	48.9%	4,700 (13.1%)	20.8%
Ordinary Profit (vs. Sales)	1,028 (13.1%)	1,022 (11.8%)	-0.6%	2,050 (11.9%)	49.9%	4,900 (13.6%)	20.9%
Net Profit for the Quarter Attributable to Owners of the Parent (vs. Sales)	641 (8.2%)	657 (7.6%)	+2.5%	1,320 (7.7%)	49.8%	3,200 (8.9%)	20.6%
Exchange rate against USD (yen)	112.00	110.54	-	106.30		106.30	-

# Consolidated Income Statement (Summary)



- The main businesses remained firm, and sales increased by 9.7%.
- Operating margin decreased when new spot business assignments in the previous 1Q were recorded.
- Ordinary profit decreased year on year due to foreign exchange gain of Y44 mill (-Y35 mill year on year) and investment loss on equity method of Y13 mill (-Y6 mill year on year).

	FY2018 1Q	FY2019 1Q	Year-on-year	
	Amount	Amount	Increase/ decrease	Increase/ decrease rate (%)
(unit: million yen; fractions of less than one million are rounded off)				
Sales	7,866	8,630	+763	+9.7%
Cost of Sales (vs. Sales)	6,094 (77.5%)	6,778 (78.5%)	+683	+11.2%
Gross Margin (vs. Sales)	1,772 (22.5%)	1,852 (21.5%)	+80	+4.5%
SG&A (vs. Sales)	838 (10.7%)	873 (10.1%)	+34	+4.1%
Operating Profit (vs. Sales)	933 (11.9%)	978 (11.3%)	+45	+4.9%
Ordinary Profit (vs. Sales)	1,028 (13.1%)	1,022 (11.8%)	-5	-0.6%
Net Profit for the Quarter Attributable to Owners of the Parent (vs. Sales)	641 (8.2%)	657 (7.6%)	+16	+2.5%

# Consolidated Balance Sheet (Summary)

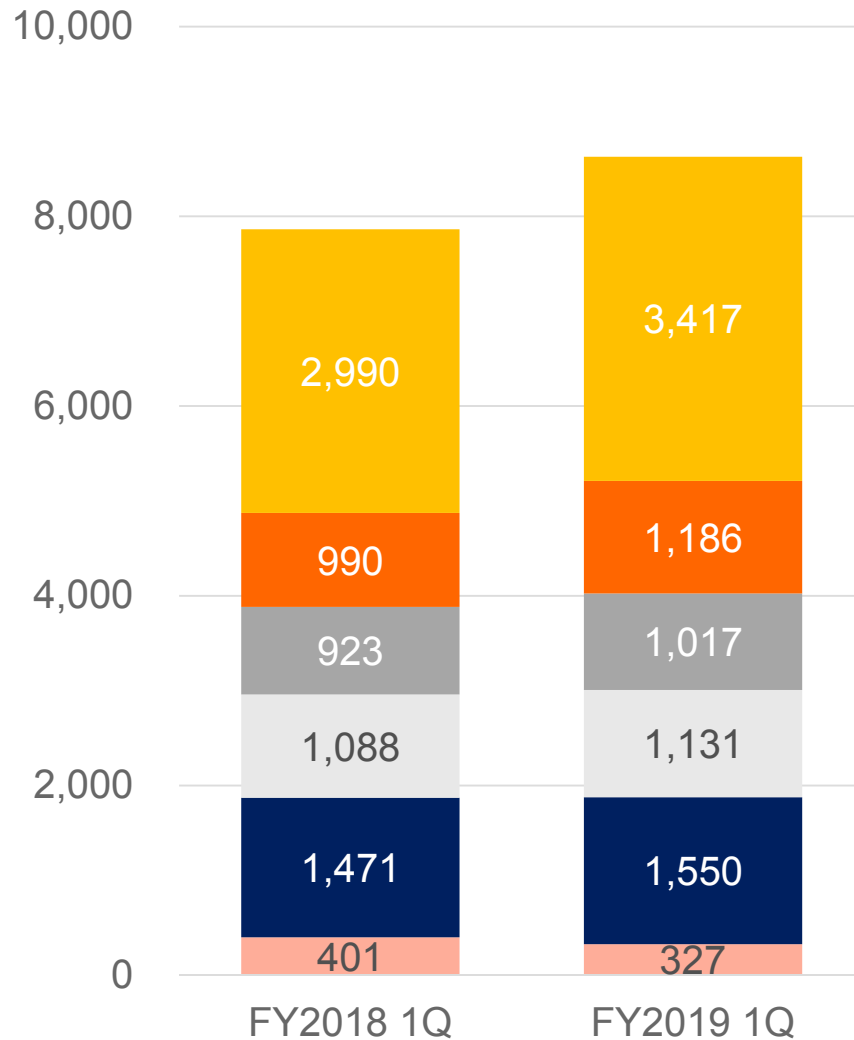


(unit: million yen; fractions of less than one million are rounded off)

	End of FY2018	FY2019 1Q	Increase/ decrease	Main reason for increase/decrease
Current Assets	22,771	21,858	-913	Cash, deposits -1,124 Advances paid +476
Fixed Assets	11,359	12,244	+884	Others in Tangible Fixed Assets (Net) +678 Investment Securities +366
<b>Total Assets</b>	<b>34,131</b>	<b>34,102</b>	<b>-28</b>	
Current Liabilities	7,851	7,355	-495	Unpaid corporate tax, etc. -651 Other +429
Non-Current Liabilities	1,201	1,267	+66	Other +62
Net Assets	25,079	25,478	+399	Surplus profit +210
<b>Liabilities and Net Assets</b>	<b>34,131</b>	<b>34,102</b>	<b>-28</b>	

# Sales by Segment (Year-on-Year)

(unit: million yen)

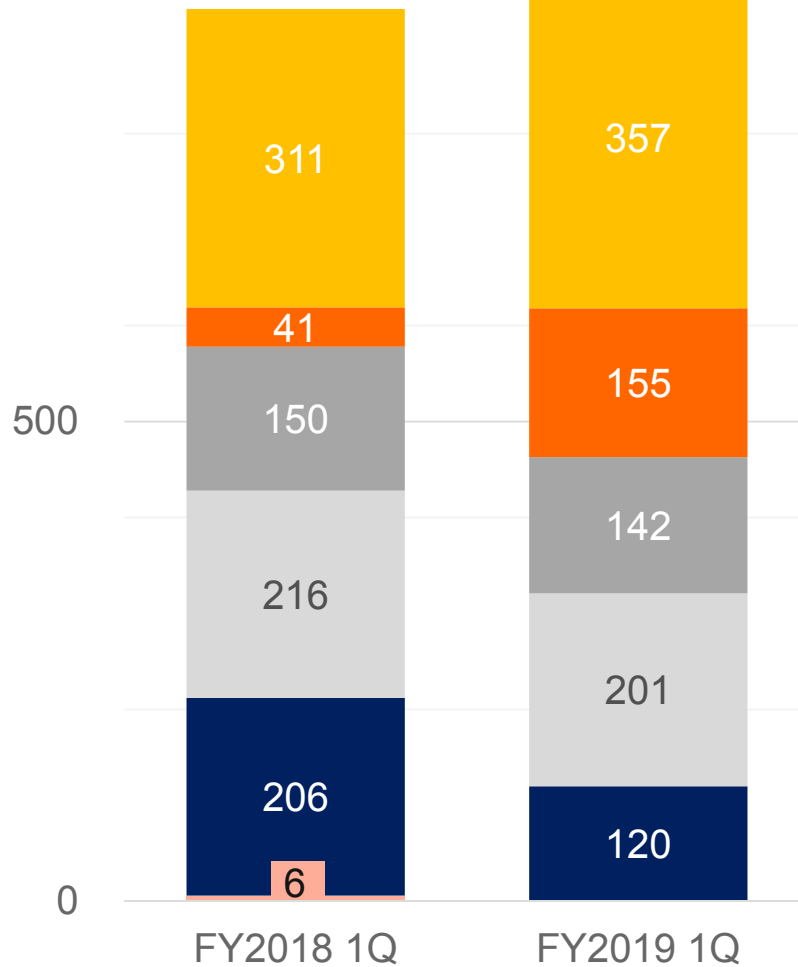


- **Roadside Assistance (YoY +14.3%)**  
 Increased due to solid growth of current consignment businesses
  
- **Property Assistance (YoY +19.8%)**  
 Increased due to growth of current consignment businesses in home assistance services (Home Assist)
  
- **Insurance BPO (YoY +10.2%)**  
 Increased due to solid expansion of services for Japanese expatriates (Healthcare Program)
  
- **Warranty (YoY +3.9%)**  
 Increased with solid growth of rent warranty and automobile extended warranty programs, etc.
  
- **Customer Support (YoY +5.3%)**  
 Grew due to growth of current consignment businesses in Japan
  
- **IT Solutions, Temporary Worker / Other (YoY -18.5%)**
  - IT Solutions      Decreased due to the strategic shift of resources to development in the group
  - Temporary Worker / Other      Increased because the effect of switching from temporary staffing to a consignment contract is complete.

# Operating Profit by Segment (Year-on-Year)

(unit: million yen)

1,000



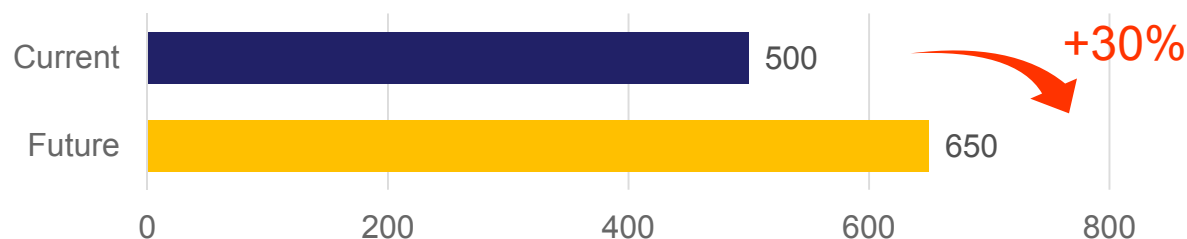
- **Roadside Assistance (YoY +14.7%)**  
 Increased due to fruits of investment in group companies specialized in on-site work for functional enhancement
- **Property Assistance (YoY +274.8%)**  
 Increased due to fruits of investment in group companies specialized in on-site work for functional enhancement
- **Insurance BPO (YoY -5.4%)**  
 Decreased because of a decrease in some current projects, etc.
- **Warranty (YoY -7.0%)**  
 Grew due to increase in labor costs, etc. associated with business expansion
- **Customer Support (YoY -41.5%)**  
 Decreased when spot business assignments performed in the previous quarter were recorded
- **IT Solutions, Temporary Worker / Other (YoY -100.0%)**

# Increase in Regional Sites (Akita and Yamagata)

**Business expansion due to increase in demand and site increase aimed at employment creation were determined**

• Yamagata BPO Garden Tsuruoka Branch (new)

Capacity (number of seats) in Yamagata



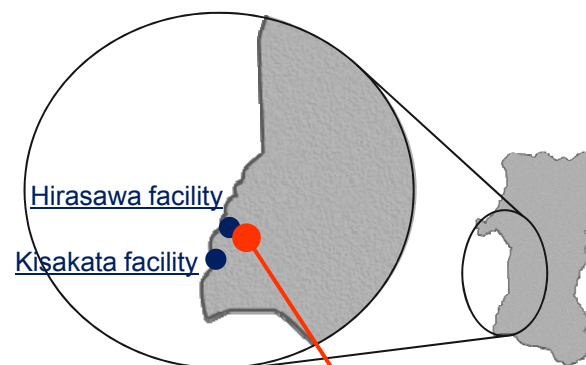
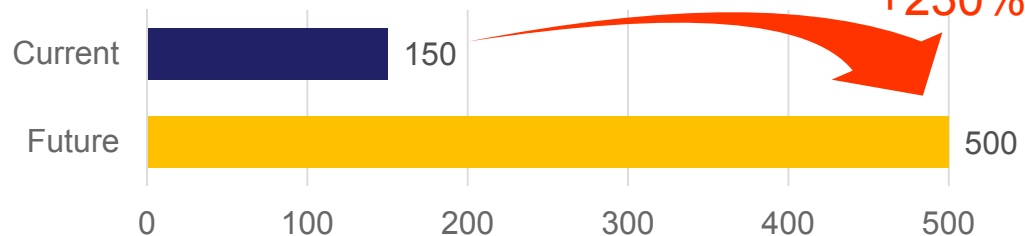
▲ Image of the building

- Start of operation: October 2018
- Location: Tsuruoka City, Yamagata
- Capacity: At the start: 50 persons/Final size: 150 persons
- Planned investment amount: Approx. 100 million yen

• Akita BPO's Nikaho Campus (consolidation-type merger)

Nikaho Branch facilities, which are currently operating in Hirasawa and Kisakata, will be consolidated

Capacity (number of seats) in Nikaho City



Akita BPO's Nikaho Campus

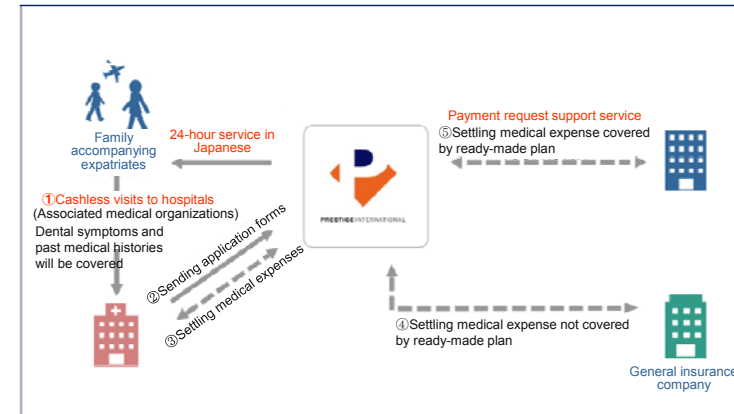
- Start of operation: By the end of 2020
- Location: Nikaho City, Akita
- Capacity: At the start: 300 persons/Final size: 500 persons
- Planned investment amount: Approx. 2 billion yen

# Healthcare Program

Full-scale rollout of Healthcare Program, our original business, for small- and medium-sized companies

Making the project a package type allows the provision of low-priced and agile services. Since the project was a custom-made type in the past, there were a lot of restrictions in terms of costs and size.

→ Aim to increase the number of members with the background of the overseas expansion of Japanese companies, which will be accelerating further



Increase in overseas sites



● **Mexico (Mexico City)**

It is planned to start operation in August 2018

● **Cambodia (Phnom Penh)**

It is planned to start operation around September 2018



# Recruitment of Life-term Regular Employees

Transfer of the employment status of a total of 117 limited-term contract employees to indefinite term, regular employees at all sites

[Breakdown]



Tokyo headquarters  
21 persons



Akita BPO's Campus  
72 persons



Yamagata BPO Garden  
10 persons



Toyama BPO Town  
14 persons

→ We plan to recruit regular employees on a regular basis

**By creating an environment where people can work with peace of mind, and making valuable human resources into regular employees, create the business stability and further improve personnel retention rate**

## 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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