



Company Information Material

“Offering premium finance and service to the world”

Agenda

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3. Summary of Each Business p.13

(Mid-Term Management Plan · ESG · SDGs)

4. Growth Strategy p.34

5. Conclusion p.46

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1. Overview of Premium Group



Overview of Premium Group①

【What we do】

Premium Group offers **Combined Mobility Services**.

【Main business】

Financing Business

Auto credit

※Others : Shopping credit, debt collection etc.

Automotive Warranty Business

**Warranty products for car breakdown
(especially used cars)**

※Others : Auto parts sales, overseas warranty business etc.

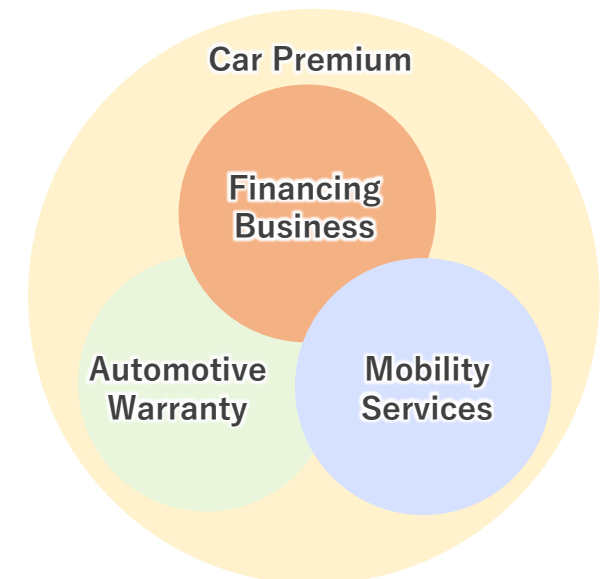
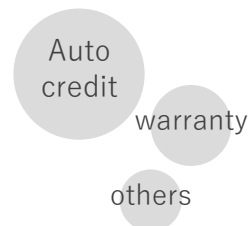
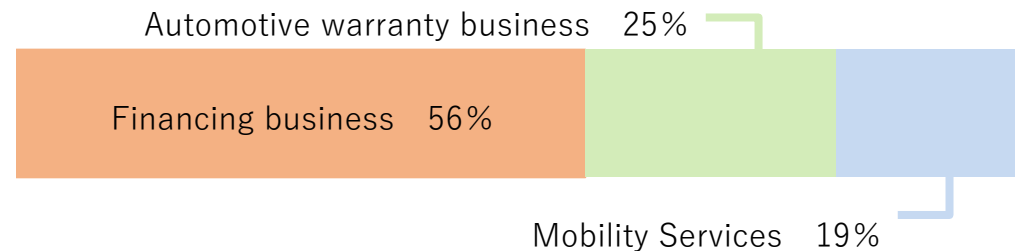
Mobility Services

**Various products and services for dealers
and garages to enhance their business**

※ Others : Membership organization management,
automobile wholesaler, software sales, auto leasing,
automobile subscription service and in-house garage

【Operating Revenue Composition】 ※As of 31 March, 2024

By establishing the Car Premium business scheme, Expand the financing business, automotive warranty business, and mobility services. We aim to launch the unique used car distribution market in Japan, and to be the "ONE & ONLY mobility company",



Overview of Premium Group ②

【Market Environment】

■ Gaining an **advantageous market position** and possible to make a challenge new business with a **stable business foundation**

Huge Market

The scale of automobile business market is approximately **JPY19.4 trillion**

Details on p.10

Stable Demand

Car is life's essential commodity. Market is mature, however demand of car shows stable growth

Oligopolistic Market

Only **3 listed auto loan companies** in the market
Our share is approximately **11%**

Details on p.14

【Strength】

■ **Stand-alone financing company** • **Warranty industry leader** • **Recurring revenue business model**

Stand-alone financing company

*Financing, Automotive Warranty, Mobility Services

Offering various services not bound by the Banking Business Act

Warranty industry leader

*Automotive Warranty

Developing automotive warranty market by exploring latent need

Recurring revenue business model

*Financing, Automotive Warranty

Future Revenue **JPY53.6 billion** is accounted for balance sheet as of March 31, 2024

【Risks and countermeasures】

■ Applying **appropriate risk hedging** and business maximization through synergies among group companies

Financing

[Overdue, irrecoverable debt]

- **Trade credit insurance** covers default risks

[Fundraising]

- **90% of receivables is procured from banks.** Premium Group conducts guaranteeing receivables.

Automotive Warranty

[Repairing cost]

- Reducing cost price by procuring automobile spare parts **from subsidiary companies.**
- Reducing repair cost and by repairing at our **network of garages**

Mobility Services

[Sales of collected delinquent debt vehicles]

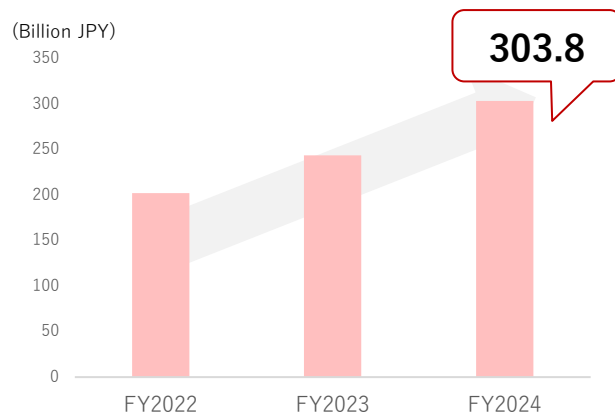
- Supplied by financing business unit
- [To cope with weakening of SMEs in the automotive market]
- **Organizing multiple SMEs** to compete major automotive companies

Overview of Premium Group ③

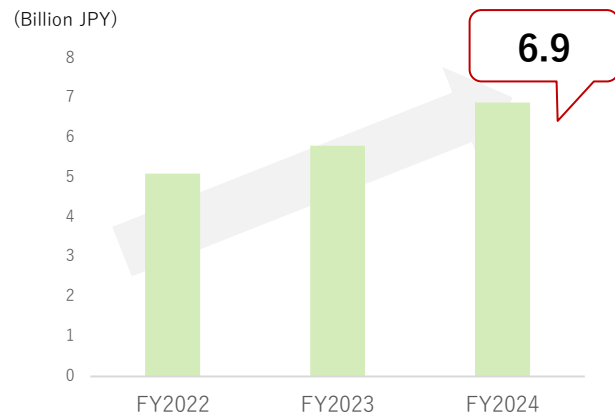
[KPI · Business Performance]

■ Continuous rightward growth

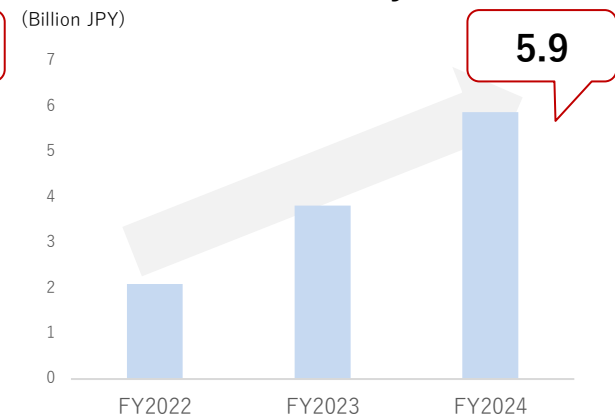
Total volume of new loans



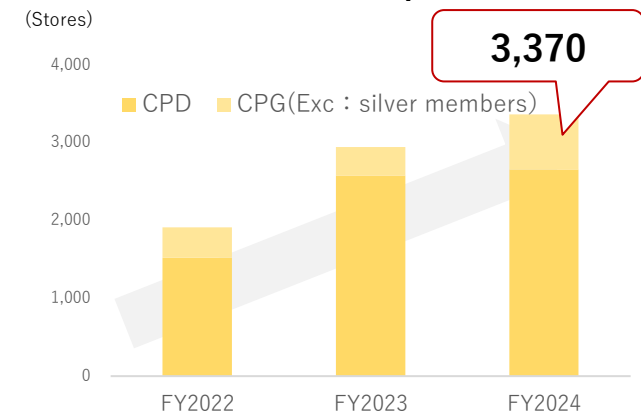
Total volume of automotive warranties



Operating income of auto mobility service

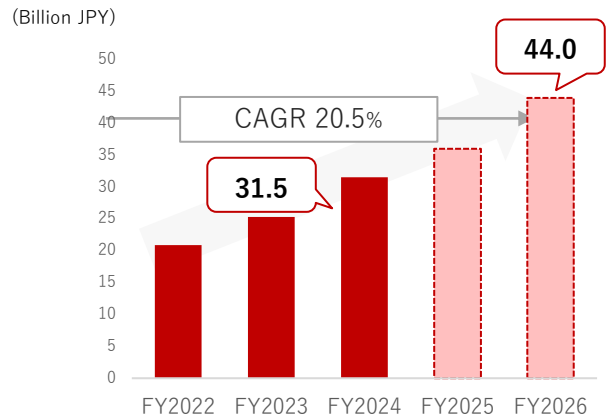


The Number of Car Premium Club memberships

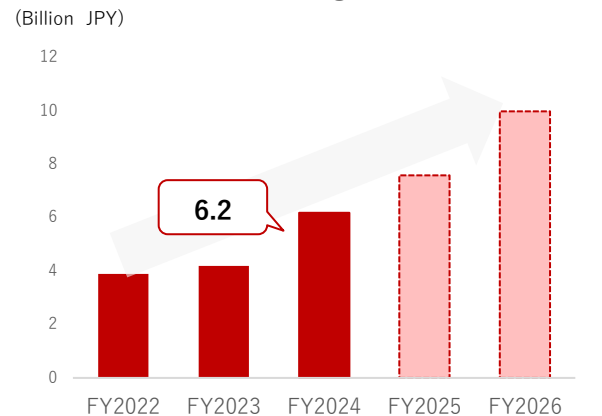


*Due to the implementation of the membership fee price revision in Oct 2023, some CPD Gold members are withdrawing their membership.

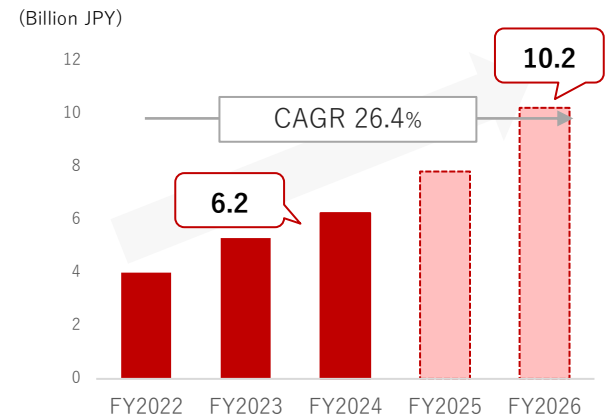
Operating revenue



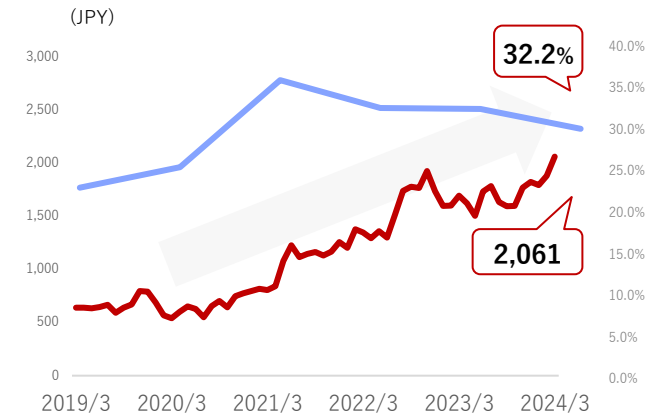
Operating profit



Profit before tax



Stock price/ROE



2. Company Information



Description of Business



- Premium Group is an **auto mobility company** offering customers a vibrant car life alongside our network of car dealers and garages.

Business Segment

Finance

- ▷ Main business
 - Auto credit
 - Ecology credit
 - Shopping credit
 - Collection Agency

- ▷ Main business partners
 - Used car dealer

Automobile Warranty

- ▷ Main business
 - Automobile warranty
 - Overseas expansion of automobile warranty (Thailand, Indonesia, Philippines)
 - Sales of used parts to domestic and overseas

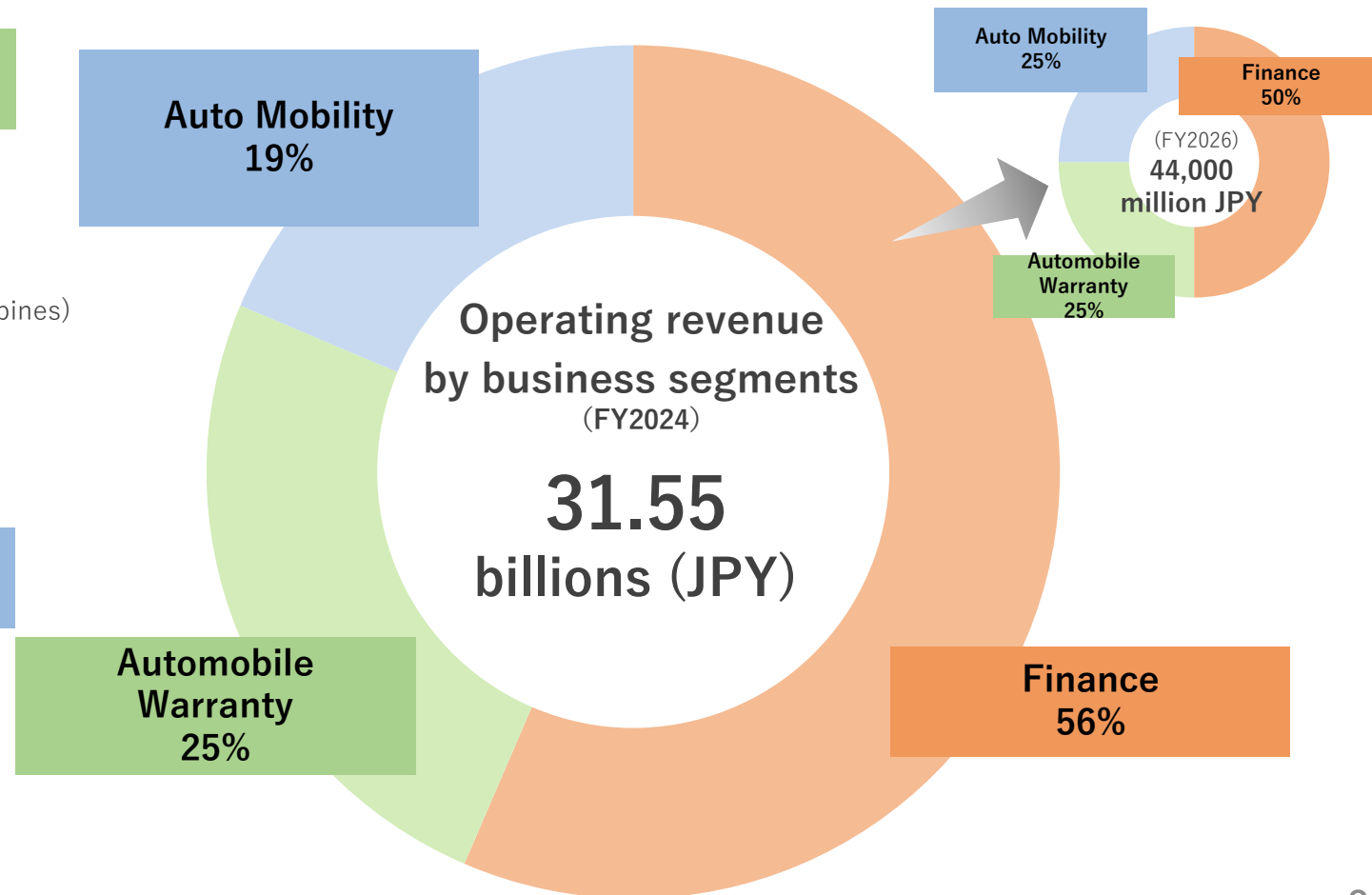
- ▷ Main business partners
 - Used car dealer, garage

Auto Mobility

- ▷ Main business
 - Operation of Car Premium Club membership organization
 - Automobile wholesaling
 - Sales of software
 - Subscription-based sales (leasing)
 - Operating garages

- ▷ Main business partners
 - Used car dealer, garage

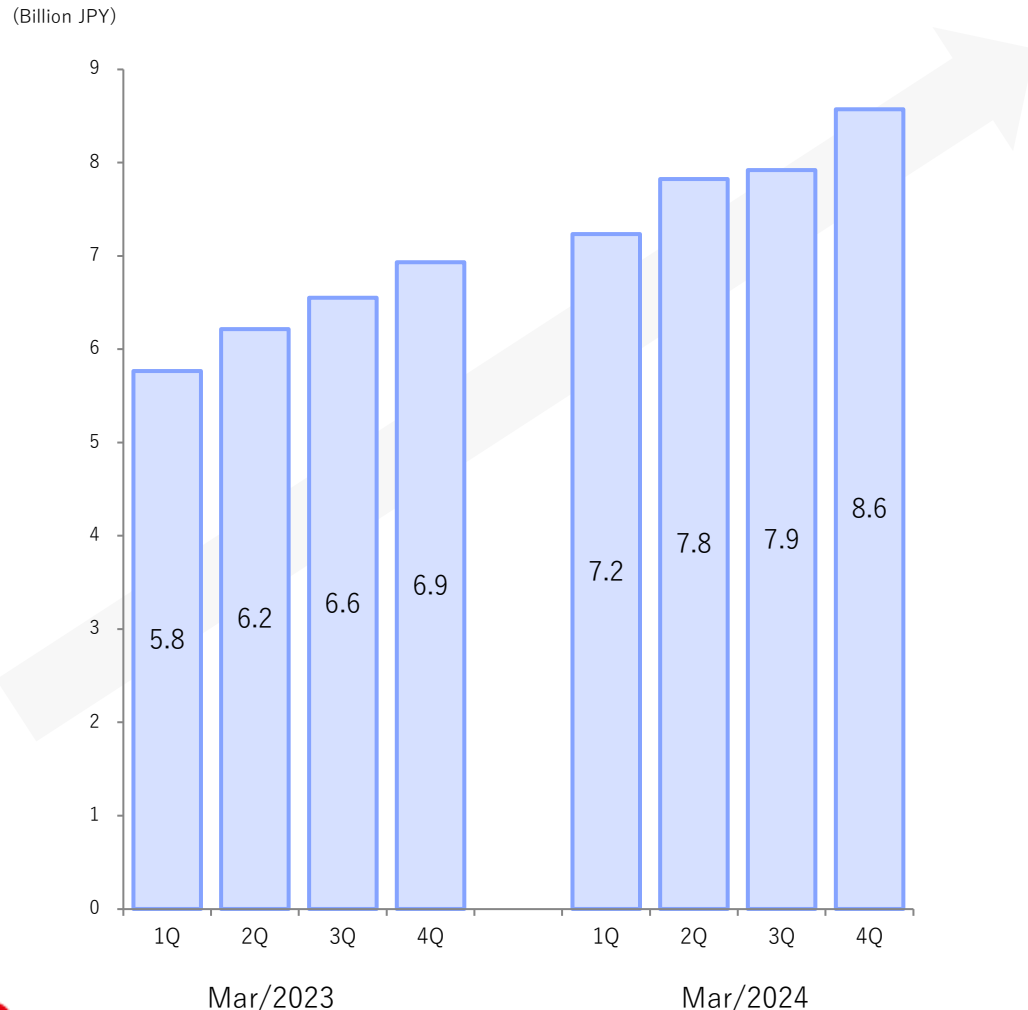
Portfolio by Segment



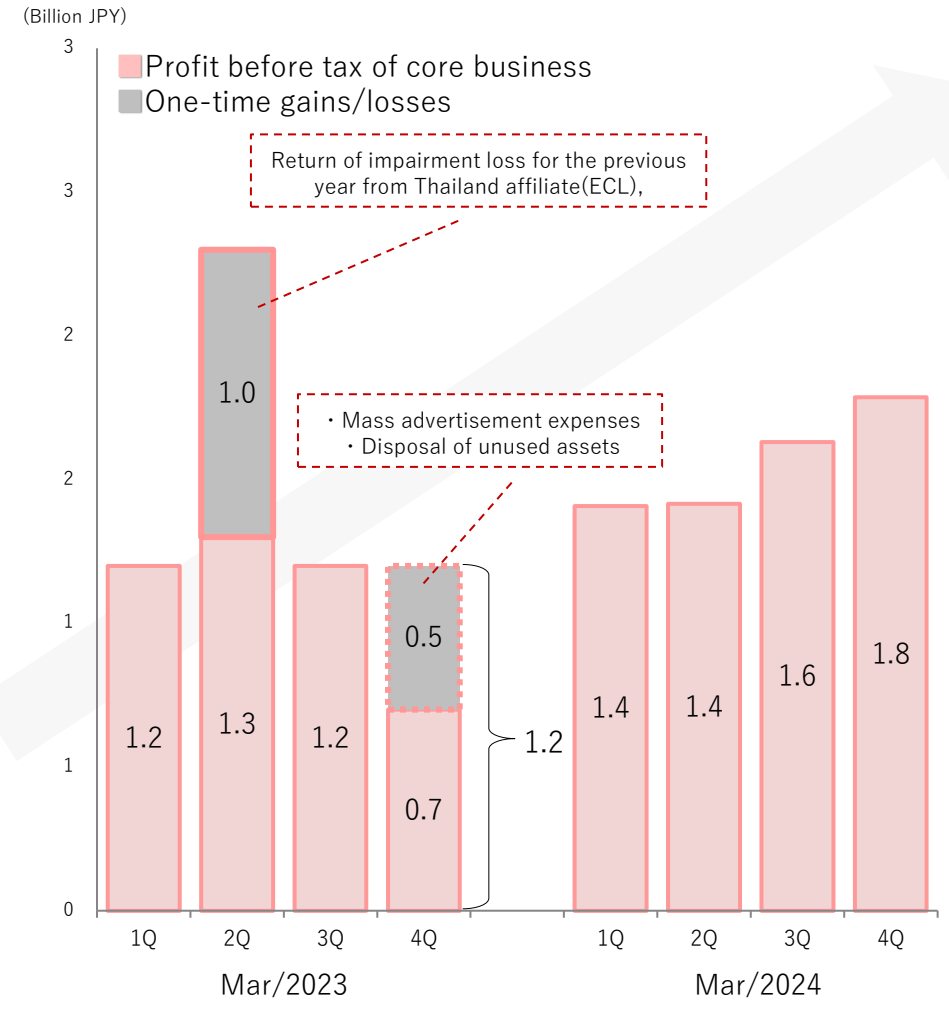
Business Performance (Quarterly accounting period)

- Operating revenue related to core business excluding one-time gains/losses and profit before tax achieve steady growth

Operating revenue

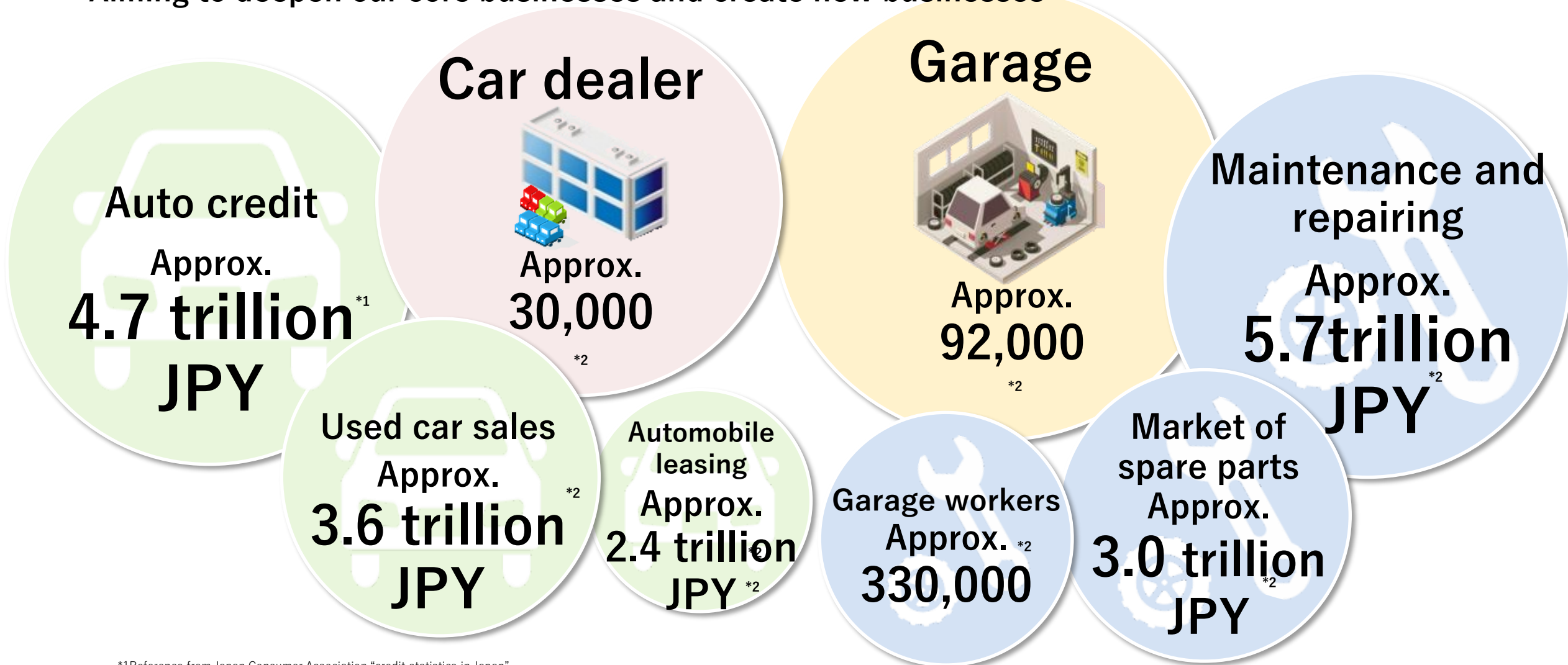


Profit before tax



Market size and our business area

- Tremendous automotive industry size and business opportunity
- Aiming to deepen our core businesses and create new businesses



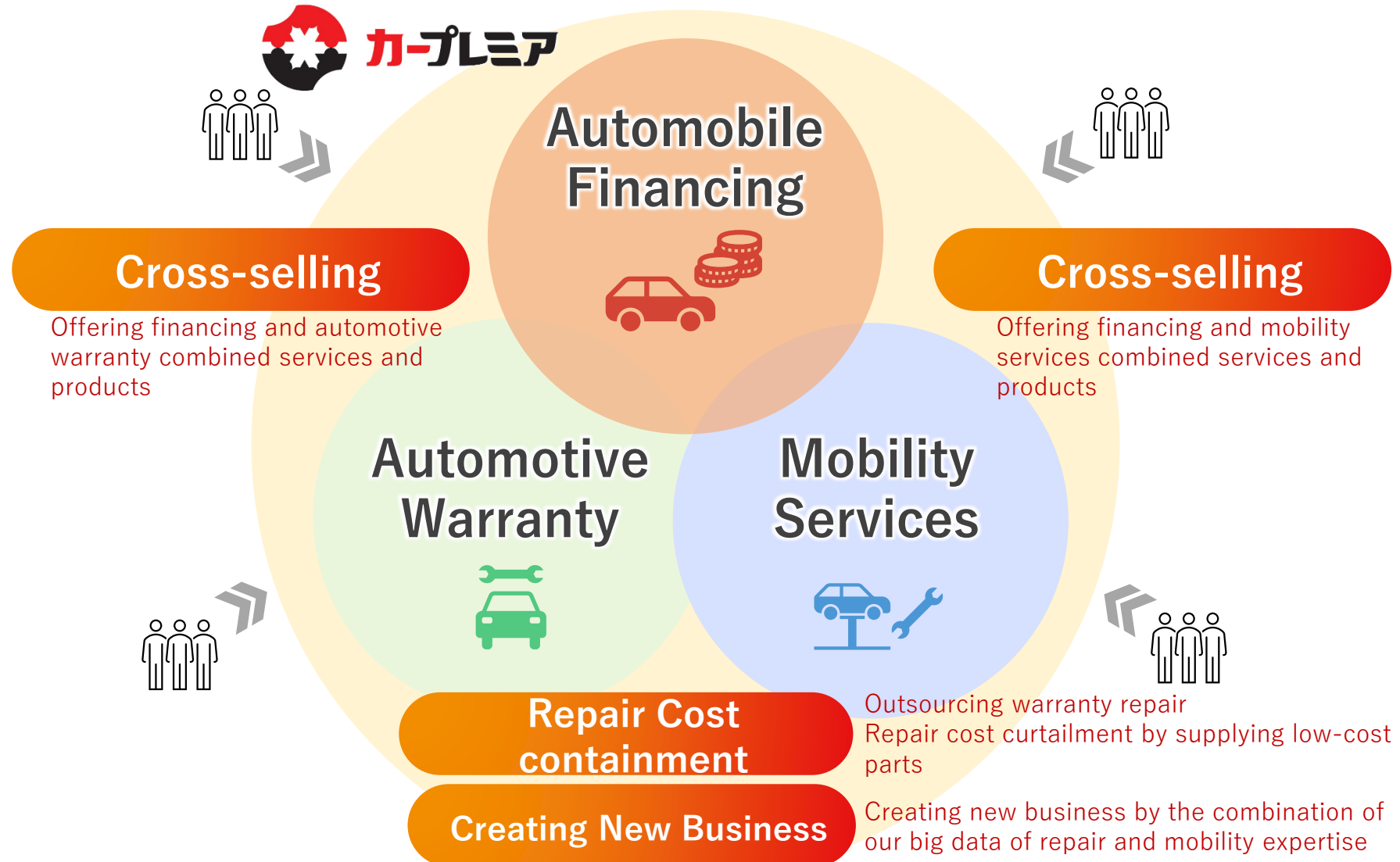
*1Reference from Japan Consumer Association "credit statistics in Japan"

*2Reference from Yano Research Institute Ltd. "Data of after market of automobile" and "the present circumstance and perspective of automobile parts and garages, 2023"

Synergies among business segments



- To enhance the competitive advantage of our business with synergies among business segments



Group organization with more than 20 companies in Japan and overseas

(Note)
 ・ “*” = Equity Method Affiliates

Premium Group Co., Ltd.



President and CEO
Yohichi Shibata

Leading our company as the founder with abundant financing and mobility industries experience

1982	Joined Sato Shoji Corp.
1985	Joined APLUS Co., Ltd.
2003	Joined IDOM Inc.
2007	Appointed as President and CEO of Premium Co., Ltd.
2016	Appointed as President and CEO of Premium Group Co., Ltd.

Financing Business Unit

Premium Co., Ltd.

Operation and supervision of credit financing business centered on auto credit

CENTRALSERVICER CORPORATION

Debt collection, Collecting delinquent debt vehicles,

Eastern Commercial Leasing p.l.c. *

Automobile financing business and automotive warranty business(Listed on the Stock Exchange of Thailand)

Automotive Warranty Business Unit

Premium Warranty Services Co., Ltd.

Operation and supervision of automotive warranty business

Premium Auto Parts Co., Ltd.

Supplier of group companies related to auto parts

Premium Service (Thailand) Co.,Ltd

Auto repair business and automotive warranty business in Thailand

PT Premium Garansi Indonesia *

Automotive warranty business in Indonesia

Premium Warranty Services Philippines, Inc. *

Automotive warranty business in Philippines

Mobility Service Business Unit

Premium Mobility Services Co., Ltd.

Operation and management of mobility service business

PLS Co., Ltd.

Automobile leasing business for individual customers

Car Premium Co., Ltd.

Development and promotion of membership organizations for mobility providers and garages

Premium Soft Planner Co., Ltd.

Development and sales of automotive related management software

PAS Co., Ltd.

Automobile maintenance business, automotive repair/paint business

CIFUT Co., Ltd. *

Development and sales of automobile-related IoT devices such as remote control device



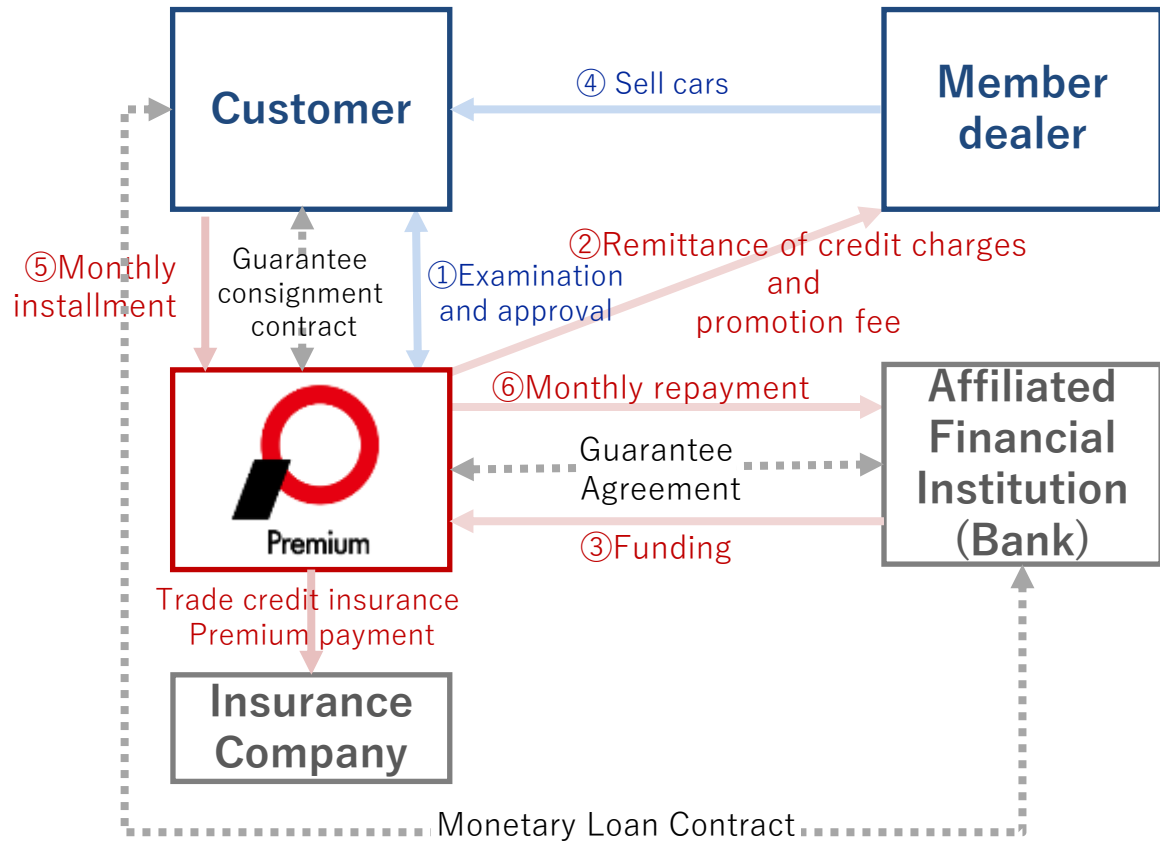
3. Summary of Each Business

3-1. Financing Business	p.14
3-2. Automotive Warranty Business	p.21
3-3. Mobility Service Business	p.25
3-4. Mobility Service Business(Car Premium)	p.26
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■ Expanding our business with specializing in “auto credit for used car”

Business structure of auto credit (affiliated auto credit)

Under this business scheme, funding is received from banks. Joint guarantee, credit examination, and credit collection are conducted by Premium Group.



Market share of auto credit

Our market share in approximately **11%** among listed companies offering auto credit, *According to our research.
 Strong potential for our further growth in the market



- Notwithstanding that it is hard to differentiate automobile loan product superiority, our speedy market share growth has achieved by cross-selling with other products which can be sold by a stand-alone financing company like us.

	Competitors	Premium Group
Organization	Stable fund-raising capacity under bank ownership. High recognition in the market.	<h2>Stand-alone</h2> <p>Offering various services not bound by the Banking Business Act</p> <p>※Various services and products : services for used car dealers (automotive warranty, sales of automobile spare part and software, brokerage new vehicle sales)</p>
Products	Credit related products	<p>Specializing in auto loan with extensive automotive industry experience</p> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 20px;"> <p>No.1 player in the auto credit market</p> </div> <div style="margin-left: 20px;"> <p>100% 50% 0%</p> <p>PG A B</p> <p>Auto credit ratio Other credit ratio</p> </div> </div>
Risk hedge	Allowance for doubtful debts	<p>Applying Trade credit insurance for uncollectable debts</p> <div style="display: flex; align-items: center;"> <div style="border: 1px solid grey; padding: 5px; margin-right: 20px;"> <p>No need to increase allowance for doubtful accounts even in a deteriorating economy. Default cost equalization</p> </div> </div>

Financing Business -Special Features(External Environment)

- Demand for used cars is stable. Car is consumer life's essential commodity.
- Quite high barriers to entry to the auto credit market.

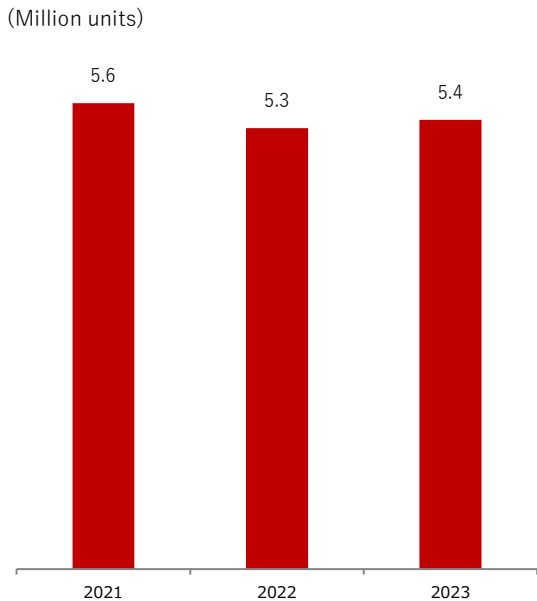
Market Environment

- Used car registrations declined due to Covid-19 Pandemic 2020, but have been **gradually recovering since the beginning of 2023 and will remain flat**
- Although the number of credit extensions decreased due to people refraining from going out due to the Covid-19, As the performance of cars improves, the unit price increases and the amount of credit extended stays the same.
- **Stable demands for vehicles even during recessions(Lehman Brothers bankruptcy2008, Tohoku earthquake 2011, Covid-19 Pandemic 2020)**

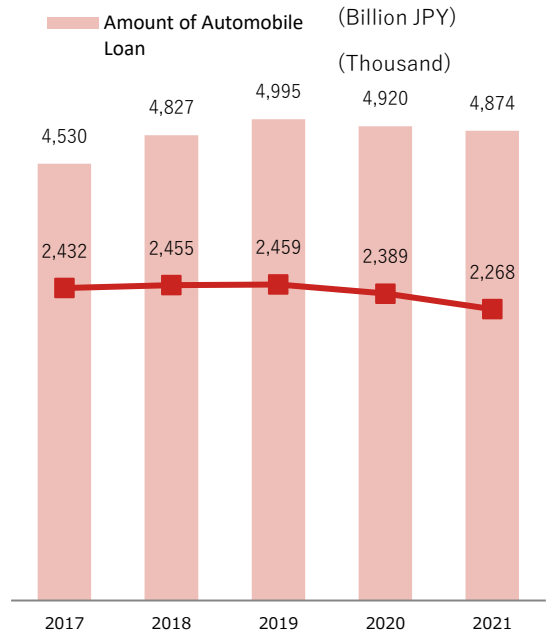
High Barriers to Entry

- **Large amounts of capital is required** advance payment on behalf of a third party and so on.
- **A license based on Installment Sales Act is required** to start this business.
- After our establishment, **no major company has decided to enter this industry.**

Trend in the number of registered used cars



Trend in the number of automobile credit and other credit balance



Player in the market

Listed company
3
companies

New player in the market (in the last two decades)

1
(Premium Group)

Financing Business -Special Features(Sales Division Structure)

- Developing nation-wide sales division network. Efficient activities by combining online and offline sales approaches.

Sales Strategy

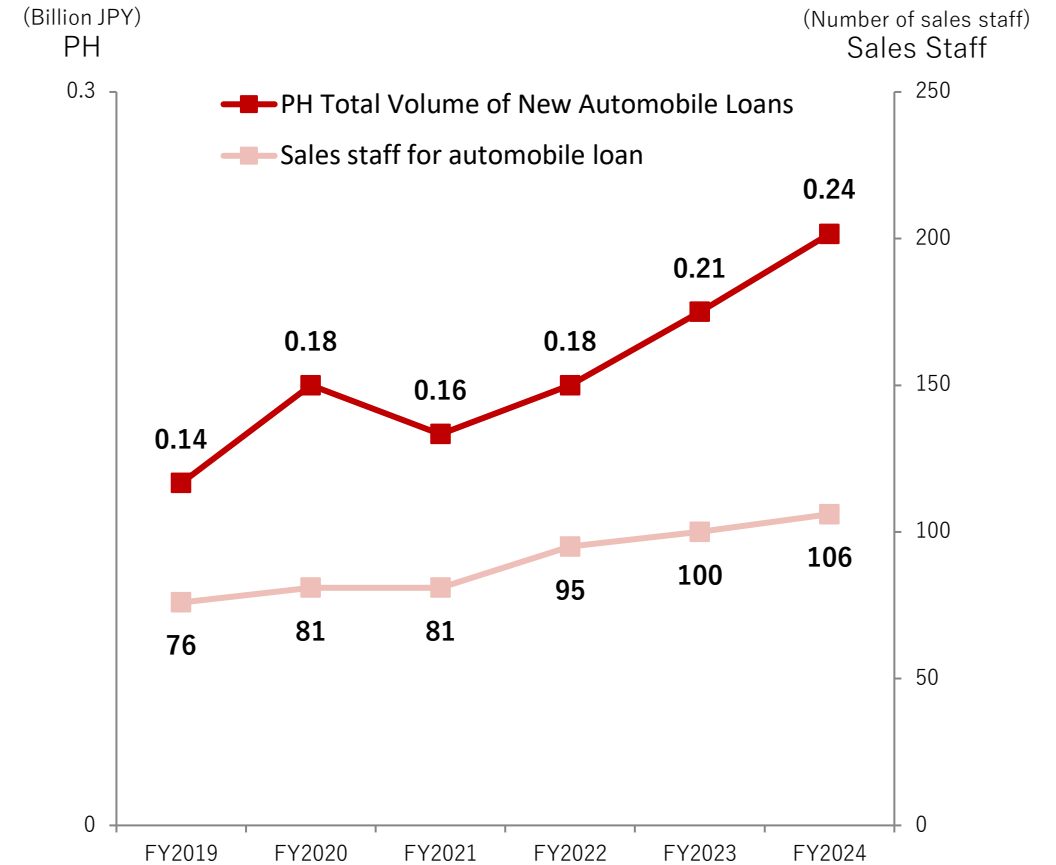
17 offices (located in metropolitan areas)

※include BIZ sites with no branch functions
 ※FY Ended March 31, 2023

	Special Features
Sales Model	<ul style="list-style-type: none"> Retained dealers through conversion to paid memberships (Car Premium Dealer) →Contribute to increase in transaction volume per merchant Adopting a hybrid sales approach combining face-to-face sales and non-face-to-face sales (telephone negotiations) →Efficiently approach existing, inactive, and untapped customers
Recruitment Training	<ul style="list-style-type: none"> No experience required; employees who have changed careers from other industries and new graduates are doing well →Recruiting is good every year After about 3 months of training, sales staff retain budgets →Lead time to be a active sales staff in short
Organization	<ul style="list-style-type: none"> Sales activities 4 days a week (office work on the remaining 1 day) Adopted a system of going directly home →Strengthening the autonomy of each individual

The total sales volume of new loans per salesperson

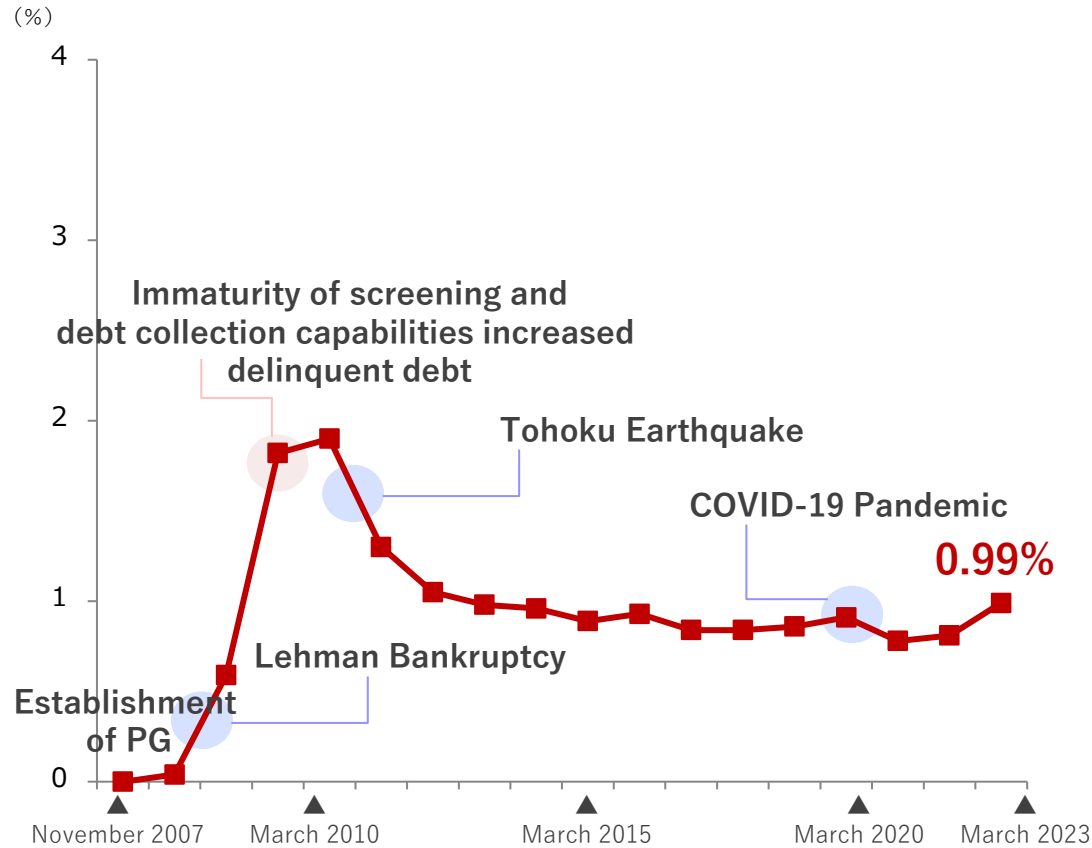
Achieved increase of sales volume by increasing monthly transaction volume PH(per head) and the number of sales staff



■ Ratio of delinquent loan is well managed through appropriate customer follow-up

Delinquency rate

Lehman Bankruptcy (2008), Tohoku Earthquake(2011)
 COVID-19 Pandemic(2020)
 Minimal impacts during economic recessions

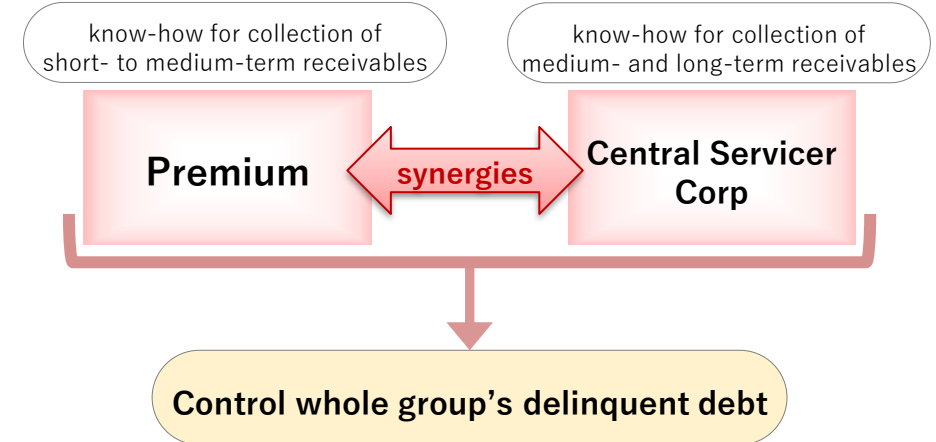


Features of auto loan receivables

- The receivable are made small amount, risk-diversified, and shorter-term (Average payment term : 5 years)
- Unlike credit cards, additional credit limit monitoring is not required. Hence, credit monitoring costs are generally low.

Group-based debt collection

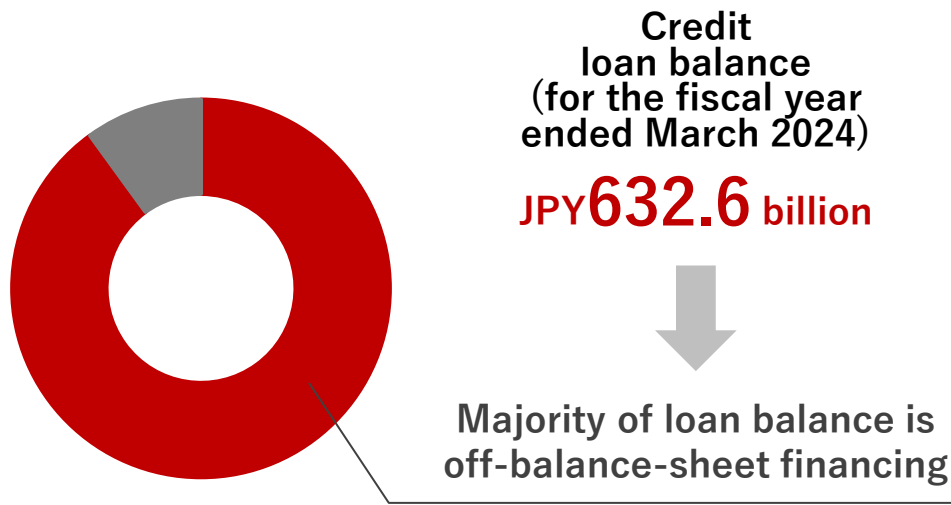
Collaboration leads to curtailment of our group's delinquent debt



- Majority of loan balance is affiliated automobile loan(**over 90% is off-balance-sheet financing**)

Funding methods

Mainly affiliated loan receivable,(off-balance-sheet)
 ⇒ **Not reflected on B/S**
 Regularly securitize the company's own receivables



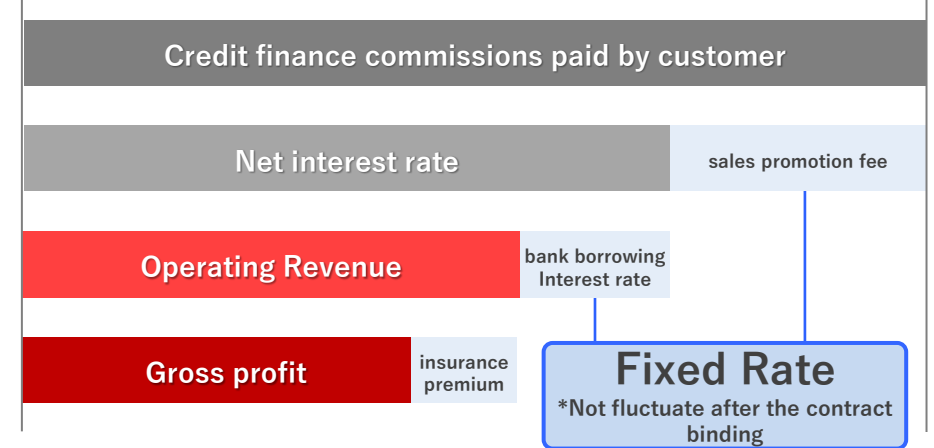
Receivables that don't meet the criteria for affiliated loans (high value, corporate, etc.) are handled in-house.
 ⇒ Creditworthiness is not severe, so we use our own credits.

Revenue structure

Cost structure is not based on “low interest rates”,
Tolerant to risk of interest rate fluctuation

Features

- The sensitivity of interest rate is low for the people who purchase used cars.
- Used car loan is different from housing loan which repayment amount is expensive and the term is long.
- Element of changing cost in our profit is mainly insurance premium.

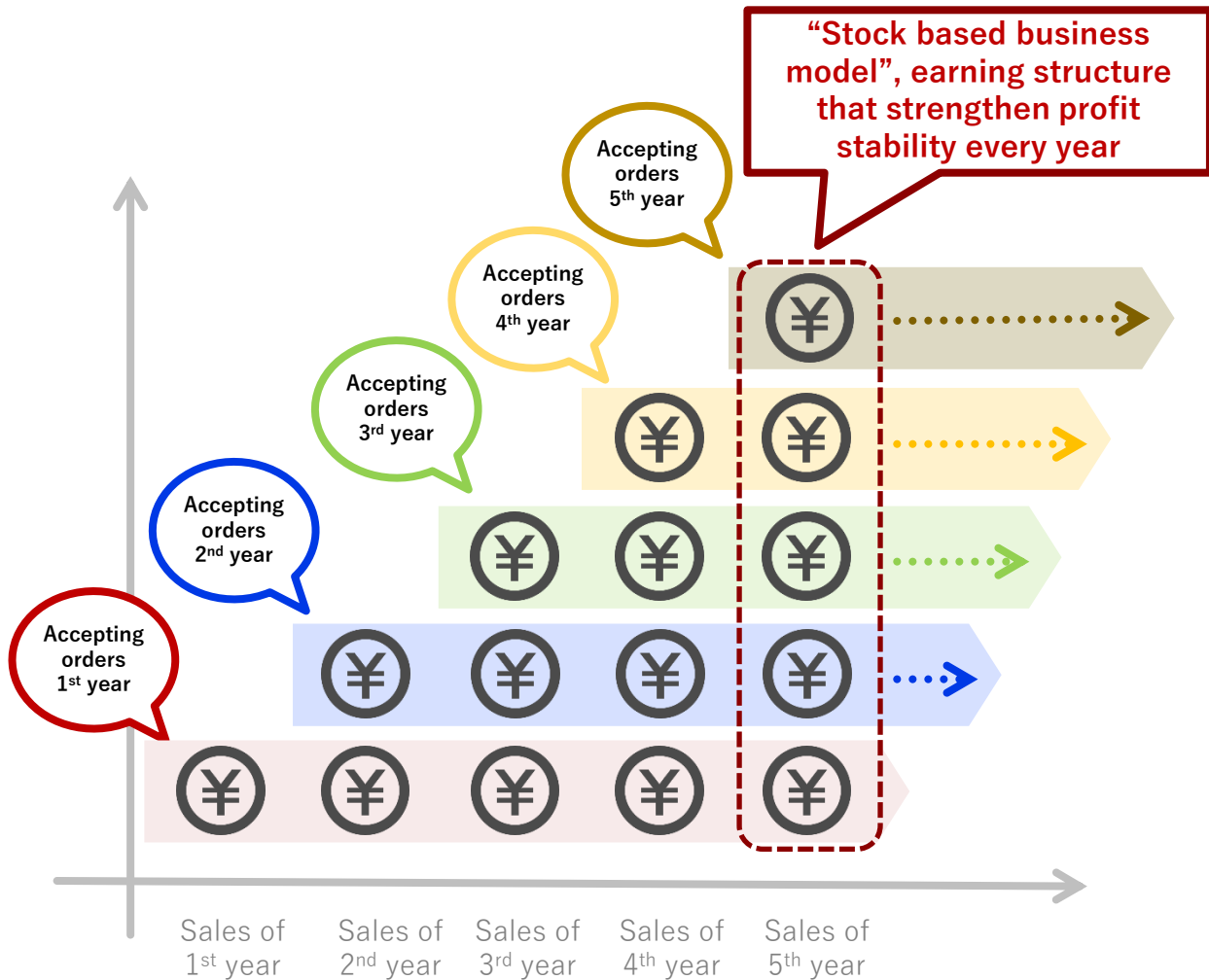


Notes: The diagram above does not show the exact amounts/flows of amount in the transactions, as this was created to show the concept of our revenue recognition, as well as deductions from credit commission paid by our customers, in our collaborative loan transactions.

Financing Business -Special Features(Accounting)

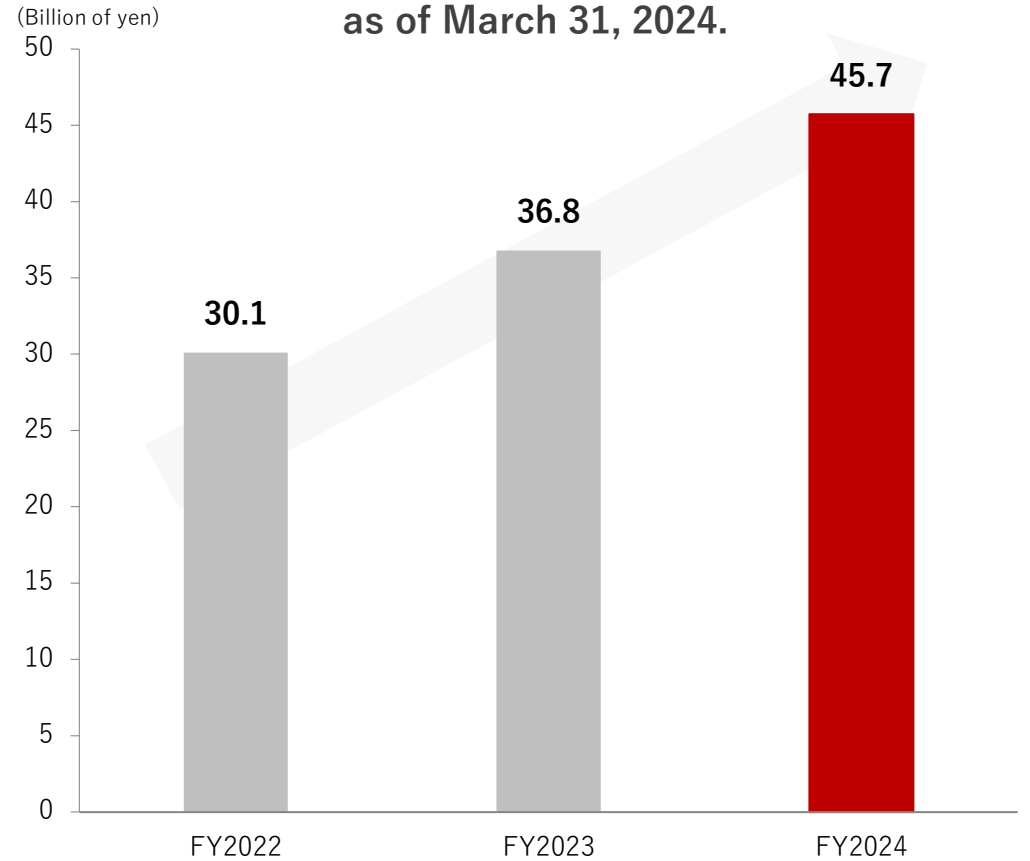
- Auto loan is “Stock Based Business Model”.
- Sales deferred over multiple years (average 5 years)

Image of stock based business model



Unrealised revenues

Expenses are recorded in a lump sum
 Deferred recognition using the effective interest method
 JPY45.7 billion is stocked on B/S as future expected earnings as of March 31, 2024.



(Note)Future expected earnings means “Financial guarantee contracts”

Automotive Warranty Business -Summary

■ Expanding automotive warranty business (mainly “used car warranty”) in Japan and overseas

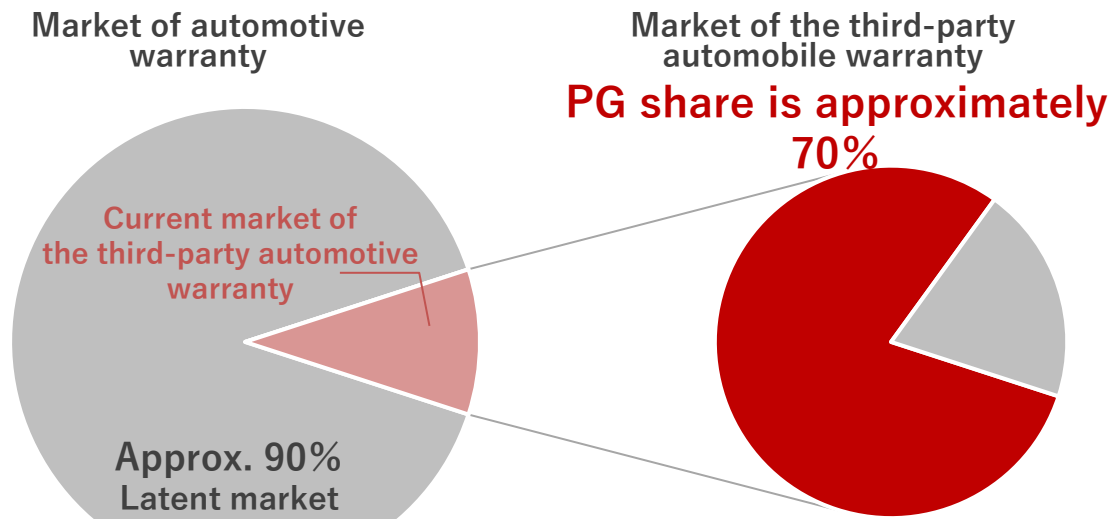
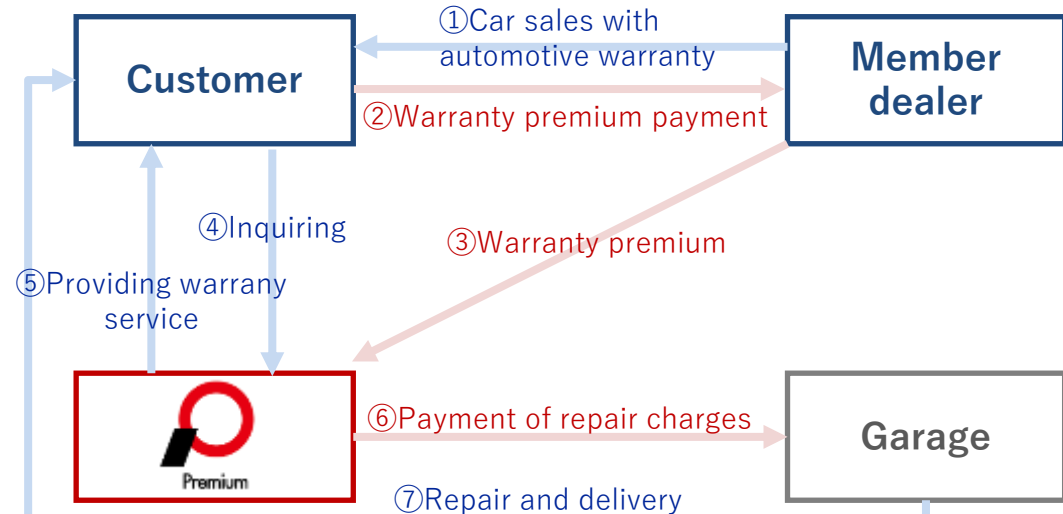
Structure of automotive warranty

Unlike "automobile insurance" which covers accidents, automobile warranty covers **spontaneous breakdowns**.

	insurance	Warranty
Target	Sudden, accidental and external damage	Spontaneous breakdown occurred under normal use
Payment	lump-sum payment /installment payment	Lump-sum payment
Advantages for customers	receive insurance money	Free repair service

Market share

Holding a dominant share in the third-party automotive warranty market.
Automotive warranty is directly linked to used car retail market trends because the warranty application can be made either at cash purchases or through other credit company service



The majority of latent market is occupied with in-house developed warranty which dealers offer,

Automotive Warranty Business -Summary

- The accumulated number of automotive warranty contract is approx. 1.6 million. Expanding our presence in the market with our own brand.

Advantages of automotive warranty

Both network stores and customers enjoy the benefits of warranty

<p>Member dealers (used car dealer)</p>	<p>■ Difference between in-house warranty and our warranty products</p> <ul style="list-style-type: none"> • Dealers can concentrate on sales while PG response to inquiries and repair claims instead of dealers • Being able to provide warranty to customer who lives far away <p>■ Advantages</p> <ul style="list-style-type: none"> • Sales promotion fee (additional revenue) • Bringing peace of mind to their loyal customers with warranty products provided by the listed company
<p>Customer</p>	<p>■ Advantages</p> <ul style="list-style-type: none"> • PG is listed on the stock exchange. Hence, customers can be sure of the cost and support provided • Even if the used car dealer that sold the car goes bankrupt or out of business, the warranty contract with us will not vanish.



Main products

Together with proper warranty products, OEM products and partnership products in cooperation with major companies such as Recruit

Proper product	House brand product
	<p>Premium's warranty <small>〈offering to Premium's member dealers〉</small></p>

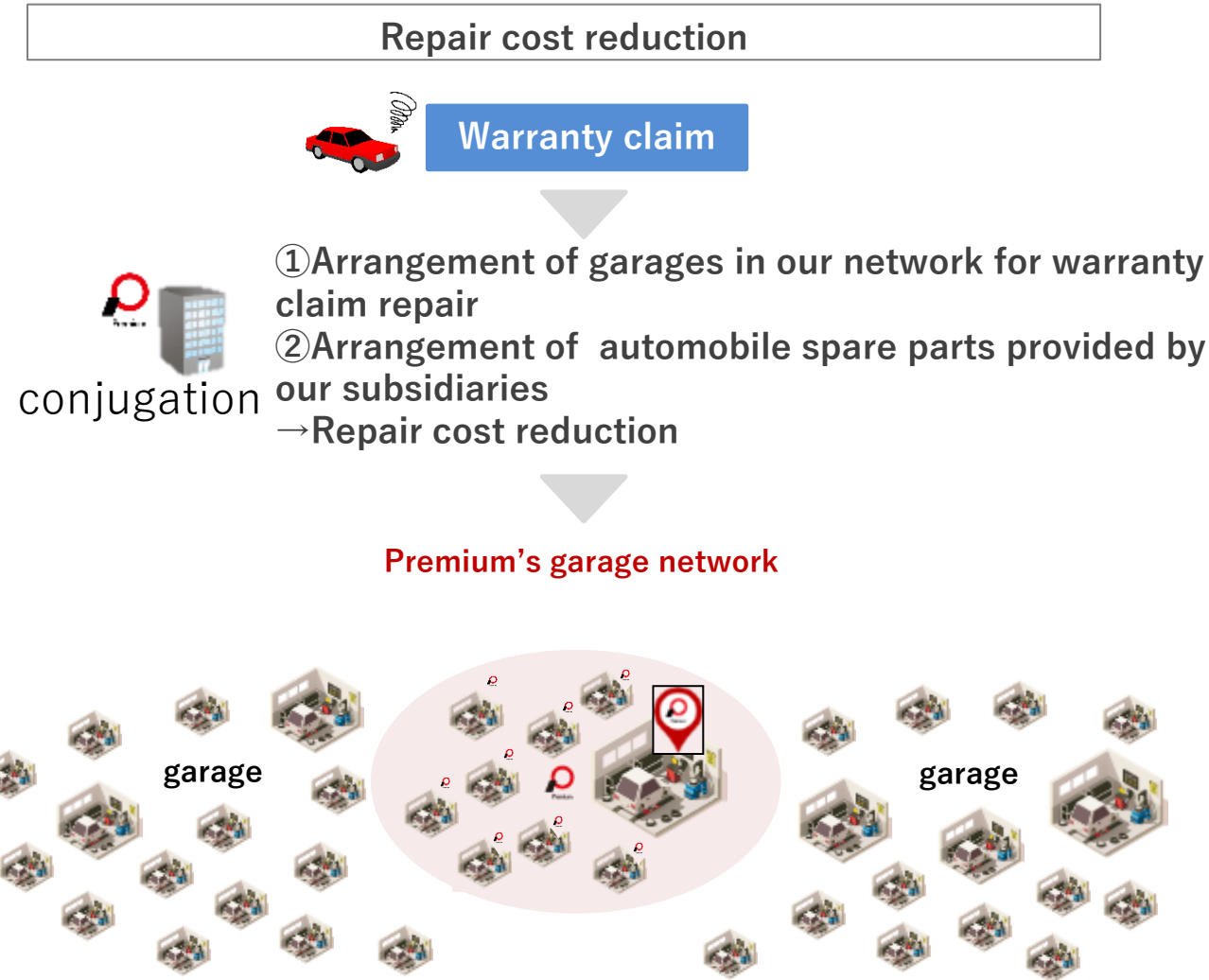
Partnership product	Offering to major portal site
	<p>Car Sensor After-sales Warranty <small>Partnership with Recruit Marketing Partners and AIS</small></p> <p>Kurumaerabi.com <small>※Partnership with Fabrica Communications</small></p>

OEM product	Offering to voluntary used car dealer chains etc.
	<p>Providing OEM product for over 200 companies <small>(over 1,000 items)</small></p>

Automotive Warranty Business -Competitive position

- Containment of cost and developing market through pricing strategies with PG group synergies

	Competitors	Premium Group
Feature	Latecomers	<p>No.1 player</p> <p>Enormous amount of claim data</p> <p>※The accumulated number of warranty contracts is approx. over 1.6 million</p>
Cost reduction	Outsourcing	<p>Assign our network garages to cope with warranty claims so that our subsidiaries provide automobile parts if applicable</p>

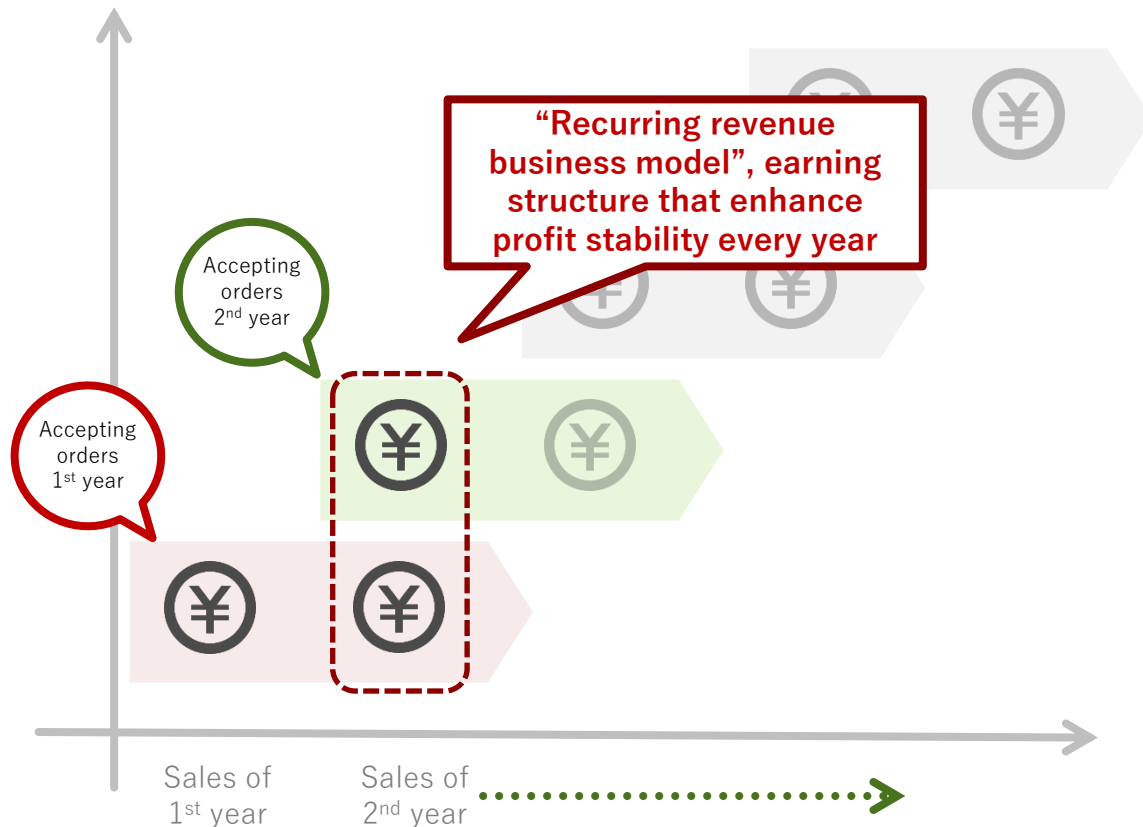


Automotive Warranty Business -Special Features(Accounting)

- Receiving warranty payment in advance and deferring revenue bring both cash position and profitability are stable

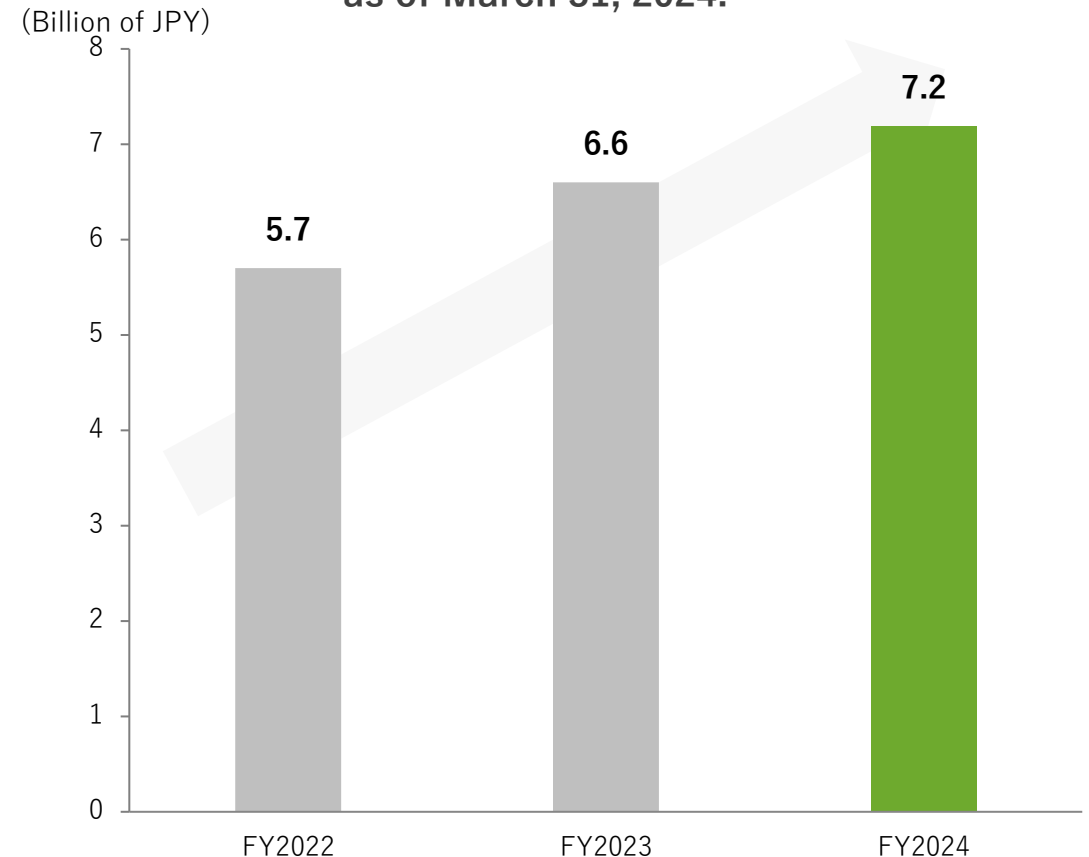
Image of recurring revenue business model

Automobile warranty revenue is deferred as with loan



Unrealised revenues

JPY7.2 billion stocked on B/S as unrealised revenues as of March 31, 2024.



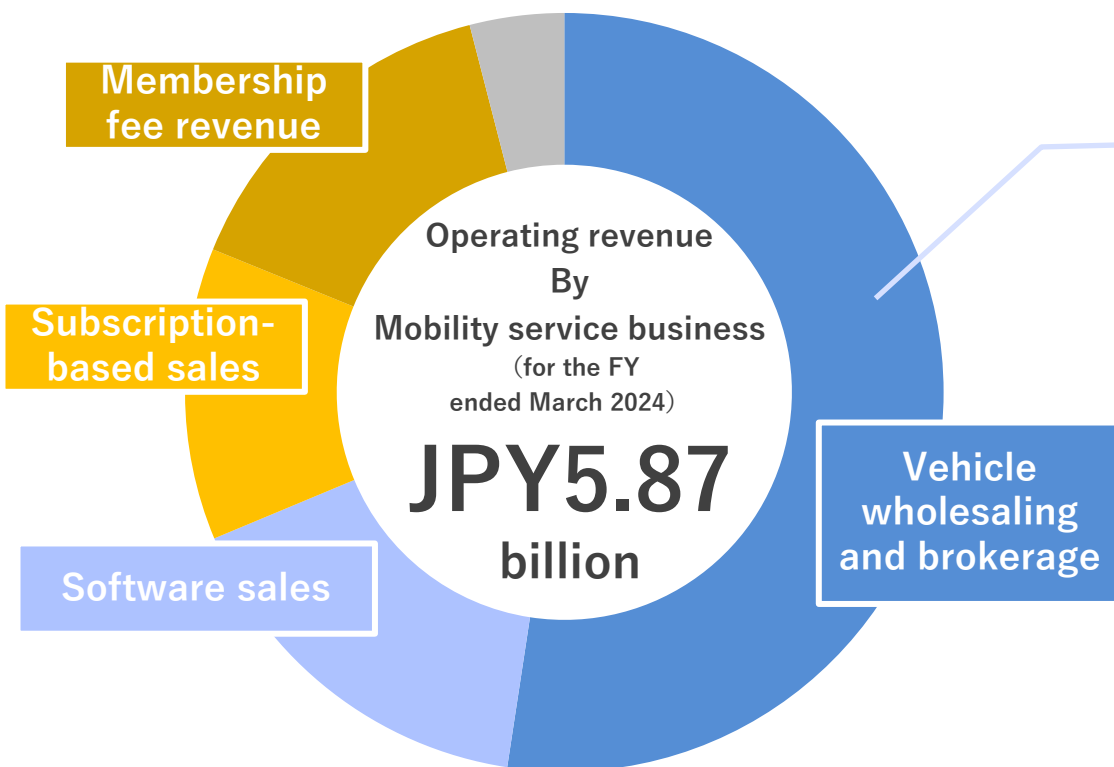
(Note)Future expected earnings means “warranty unearned income”

Mobility Service Business -Summary

- Our mobility service is a service to bring “premium” car life to our loyal customers together with dealers and garages

Portfolio by Services

With expanding the four main services, aiming to revenue increase by aggressively developing new businesses specially deigned for our loyal member dealers and garages.



Vehicle wholesaling and brokerage

Sales of salvage vehicles and new car to Car Premium Club

Software sales

Sales of software for garage

Subscription-based sales

Auto leasing for individuals with a fixed monthly payment that includes vehicle price, warranty premium, vehicle inspection fee, maintenance fee, etc.

Membership fee revenue

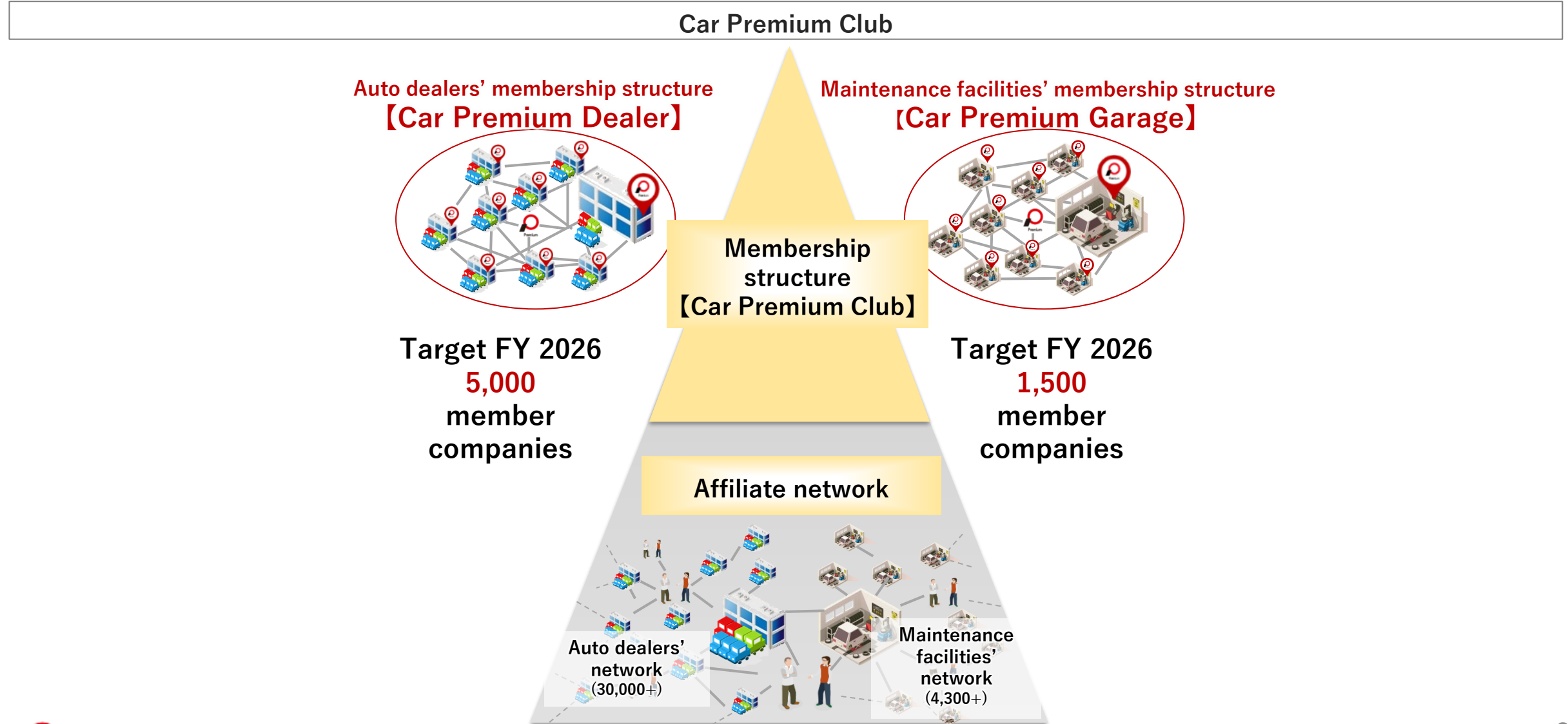
Membership fee revenue of Car Premium Club

In-house garages and others

Operated as a model garage for Car Premium Garage

Mobility Service Business - Car Premium Summary

- Forming a membership organization from the network we have built, and deepening relationships with members



Mobility Service Business -Car Premium Club

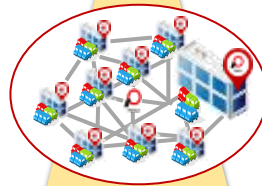
- Car Premium Club is expanding under 2 brands “Car Premium Dealer” and “Car Premium Garage”

Car Premium Dealer

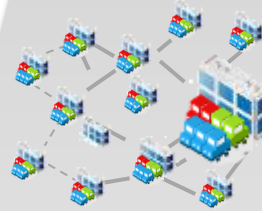
Services	Affiliate	Car Premium Club
Automobile loan	○	◎ Expanding credit
Automobile warranty	○	◎ Special plan
Posted on Car Premier Site	×	○
Support for attracting customers	×	○
Support for purchasing new car	○	◎ Special plan
No use of fund lease sales	×	○
Automobile parts	○	◎ Special plan
Vehicle Sales Management System	×	○ Free of charge

Auto dealers' membership structure
【Car Premium Dealer】

Target 2026
5,000 member companies



Affiliate network
30,000 companies



- The service will be expanded sequentially.
- There are differences in the services provided depending on the membership type.

Car Premium Garage

Services	Affiliate	Car Premium Club
Induce entry for breakdown repair	○	◎ Priority assignment
Automobile warranty	○	◎ At the time of vehicle sale
Posted on Car Premier Site	×	○
Support for attracting customers	×	○
Car Premium Maintenance Pack	×	○
Automobile parts	○	◎ Special plan
Support for the introduction and sale of auto leasing	×	○
Use of CI (Corporate Identity)	×	○

Garage's membership structure
【Car Premium Garage】

Target 2026
1,500 member companies



Garage network
4,300 companies



- The service will be expanded sequentially.
- There are differences in the services provided depending on the membership type.

- Car Premium site is a service site that serves as a platform connecting end users and Car Premium Club through our service content.



Services for members provided by the end-user website “クルマのことならカープレミア”

カープレミアガレージ Automobile maintenance and repair shop organization	カープレミア クレジット Auto Credit Service	カープレミア 故障保証 Automobile Warranty Service	カープレミア 症状診断 service to find the cause of an automobile malfunction based on its symptoms	カープレミア 買取 Easy appraisal service just by taking a photo
カープレミアディーラー Car Dealership Organization	カープレミアクラブリース Auto Leasing Service	カープレミア 車検 Car inspection store referral service	カープレミア 修理 Repair shop referral service	カープレミア マガジン Web magazine service to distribute car information
カープレミア クルマ検索 New and used car information posting service		カープレミア 板金 Sheet metal shop referral service	カープレミア パーツ Auto parts sales service	

selection

Payment Method

vehicle inspection sheet metal

repairing

purchase

knowledge

Measures to Increase Car Premium Brand Recognition

- Appointed celebrities to increase exposure and **expand the recognition of the Car Premium brand**
→ **Increase online traffic and grow paid membership organizations by fostering the Car Premium brand**

Celebrity appointment

Appointed **GENERATIONS from EXILE TRIBE**
& **Shingo Katori & Hiromitsu Kitayama**



since January 2024



since April 2024

Combine multiple media Approaching various generations



TV
WEB Contents



Network Stores



カープレミア

Media



Website



Flags/signboards

Measures to increase awareness
of **Car Premium Club**

↓ Car Premium Garage



↑ Car Premium Dealer

Major Media Coverage

【TV】

- All Broadcasters : Car Premium's TV Commercials
- KYUSHU ASAHI BROADCASTING 「福岡恋愛白書18 春のおとなりさん」
- Kansai Television 「3年VR組」

【Outdoor Advertising】

- Metropolitan area/Osaka

【Magazine publication】

- Nikkei Money : July 2023

【Social Network Service】

- YouTube/Instagram/Facebook/X/TikTok/TVer/Google
ABEMA/DAZN Newspaper articles, radio commercials, etc.

Website

Services for members provided by the end-user
website **“クルマのことならカープレミア”**



あなたのカーライフを
もっと賢く、
もっと安心に。

プレミアムグループは自動車に関する総合的なサービスを提供する「オートモビリティ企業」です。

<https://www.premium-group.co.jp/>

Released Car Premium Anshin Shop

- Launched Car Premium Anshin Shop, a program that allows customers to access products and services with peace of mind, on Jan. 29, 2024

What is Car Premium Anshin Shop?

An outlet that provides services that guarantee “peace of mind” so that all customers fully understand and agree with the details of their transaction.

- ✓ Fulfillment of the Company's standard
- ✓ Peace of mind guarantee / consent with terms of service
- ✓ Car Premium inspections

カープレミア
あんしんショップ

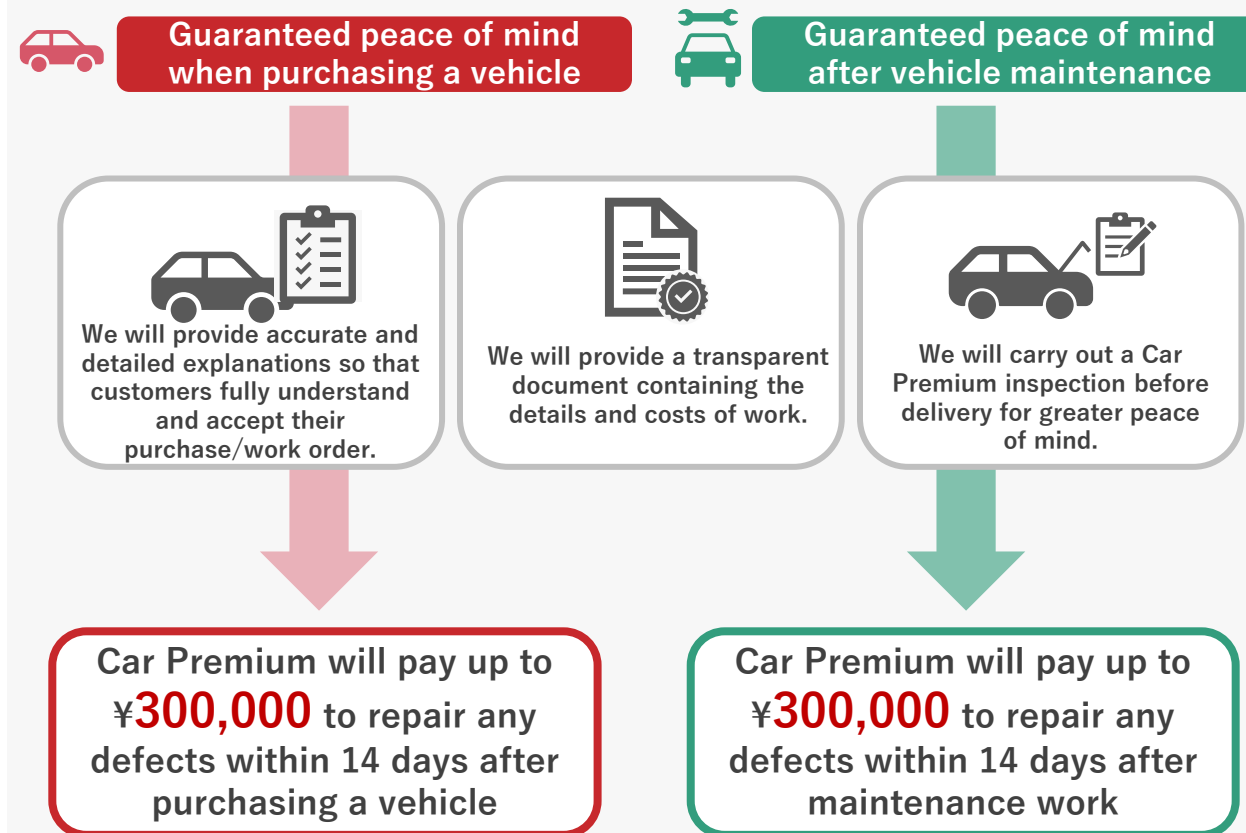
- ✓ Provision of Anshin Service
- ✓ Display of top rankings on Car Premium website

カープレミアクラブ

Diamond Members

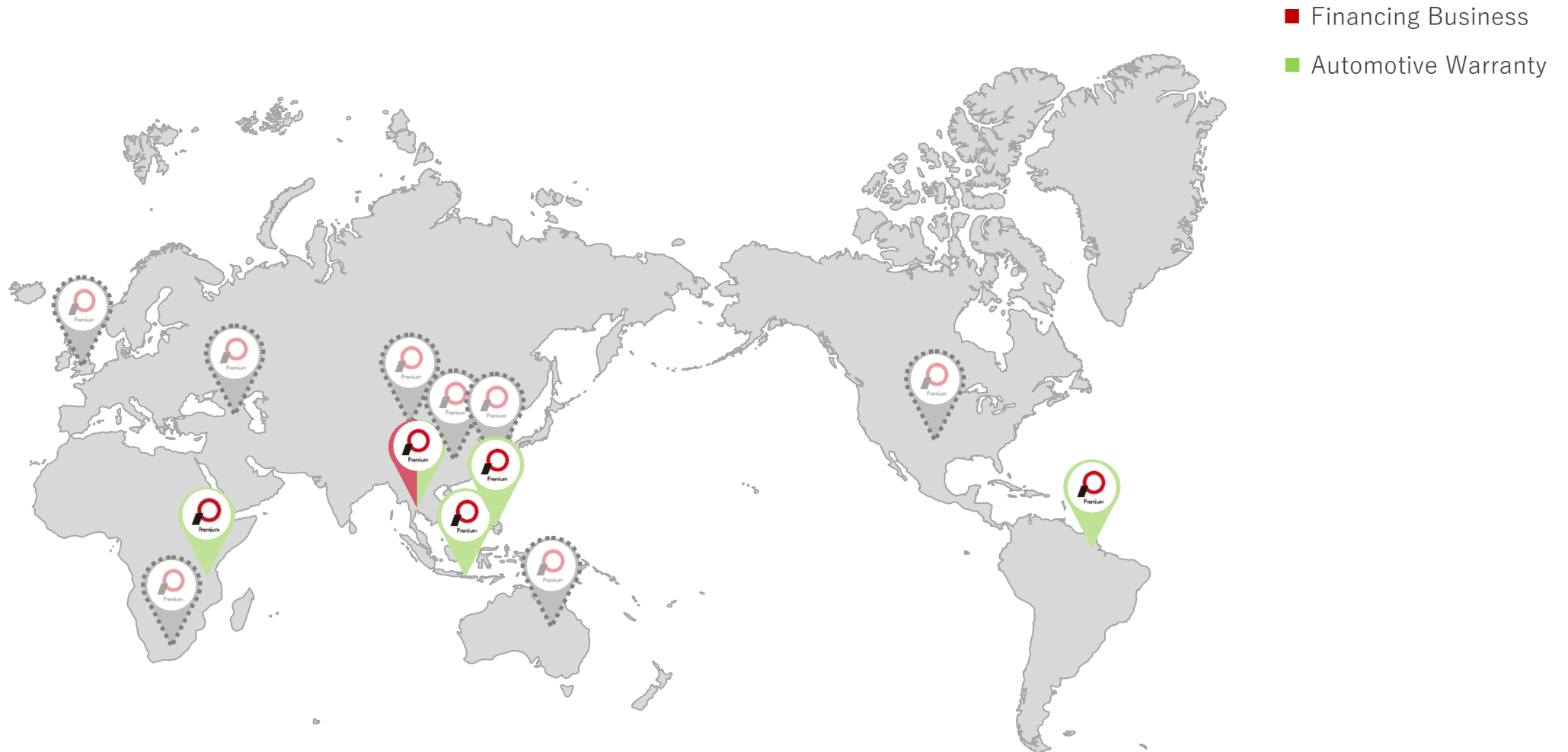
カープレミアクラブ
Gold Members

Details of peace of mind guarantee and services



International Strategy

- Partnering with local companies and expanding business with the know-how cultivated in Japan overseas

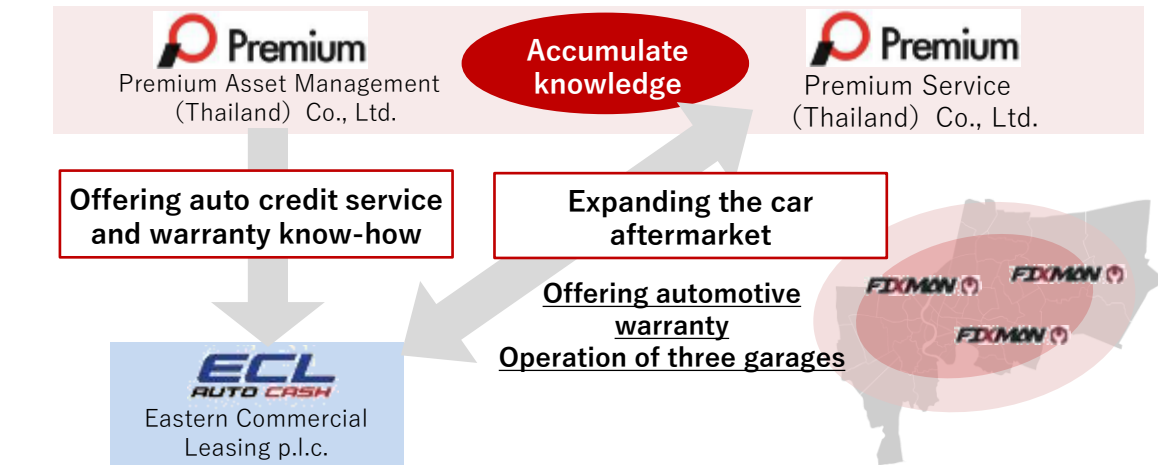


Overseas Strategy



- Expanding business (especially automotive after-market business)
- Selecting business destination based on the volume of Japanese auto makers cars sold locally

Group correlation chart in Thailand



Indonesia

Promoting automotive warranty business with SUMITOMO CORPORATION.



Philippines

With MITUI & CO., LTD. and local conglomerate, developing automotive warranty business as a leading figure.



Tanzania, others

Exports of recycled parts · Expanding garage business
Developing business in Russia and Central & South America. In the future, developing other countries.



Overview of Premium Group ④

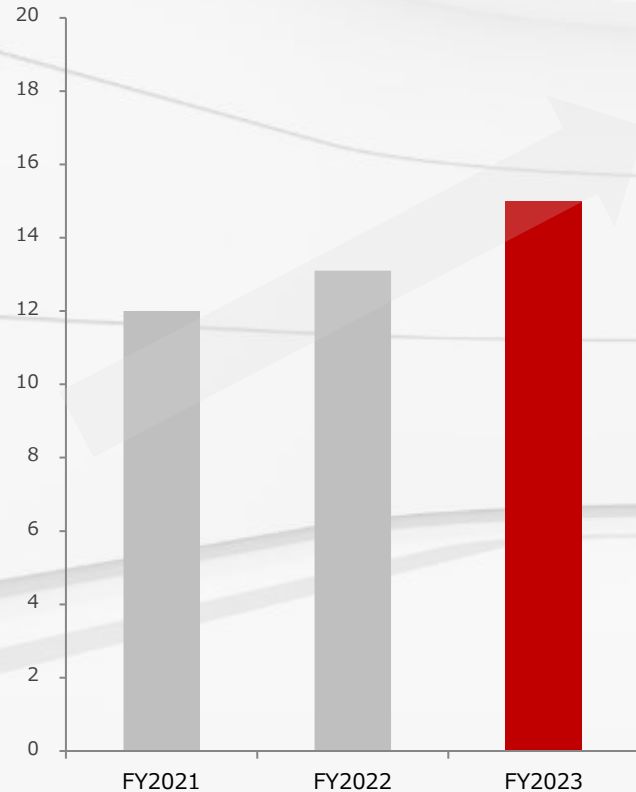
- Both of credit financing and warranty businesses have boosted the loan balance. Expecting continuous accumulation of revenue.
- Mobility Service Business as new business unit will show great expansion based on “fee business”.

Financing

Operating Revenue

+14.3% YoY

(billion of JPY)

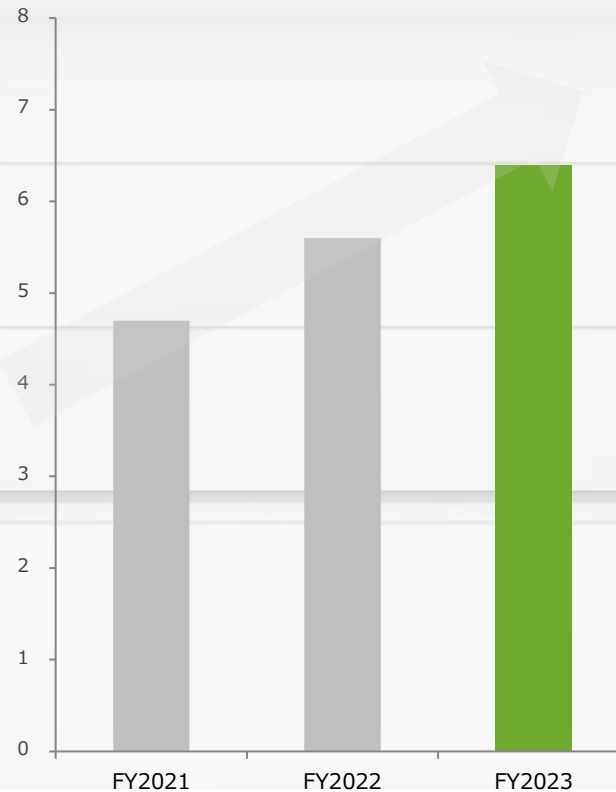


Automotive Warranty

Operating Revenue

+13.7% YoY

(billion of JPY)

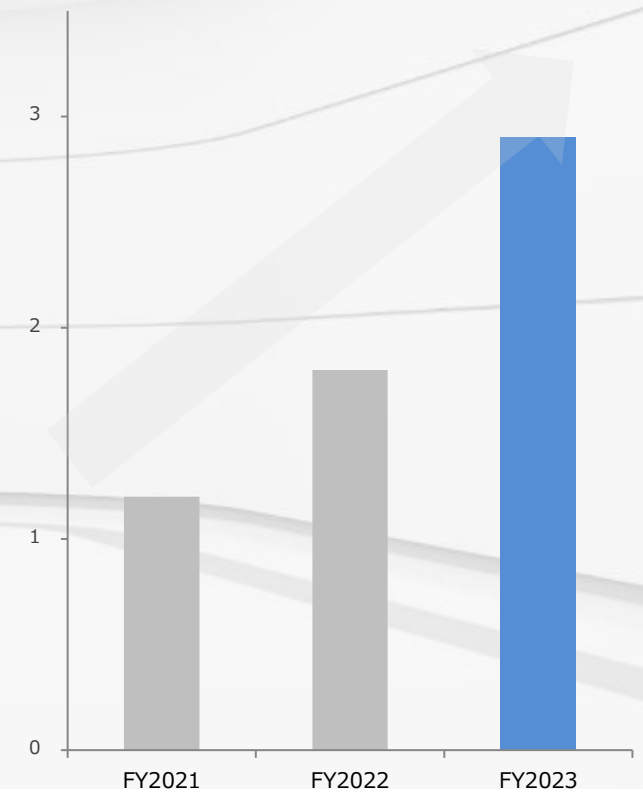


Mobility Service

Operating Revenue

+66.6% YoY

(billion of JPY)



4. Growth Strategy

4 - 1. Mid-Term Management Plan "ONE & ONLY 2026" p.35

4 - 2. Initiatives for Sustainable Growth p.44

*The contents of the mid-term management plan announced in May 2023



Mid-Term Management Plan, ONE & ONLY 2026: Summary

Medium-Term Vision

Establishing the Car Premium business model,
seeking to become the ONE&ONLY mobility company

Numerical Targets

Operating income

JPY44.0 billion

vs. FY2023: +74.6%

Profit before tax

JPY10.2 billion

vs. FY2023: +91.0%

Profit attributable to owners of parent

JPY7.0 billion

vs. FY2023: +75.0%

ROE

30–39%

FY2023 results: 34.7%

Market cap

JPY140–175 billion

vs. FY2023: 204–255%

Key Issues



Car Premium

- Expanding the Car Premium Club
- Establishing the Car Premium brand
- Strengthening ability to attract in-person/online customers



Financing

- Expanding Car Premium Dealers
- Increasing transaction volume per member dealers

- Expanding sales volume



Automotive warranty

- Expanding third-party warranties market
- Expanding sales focused on proper products developed in-house
- Reducing repair costs

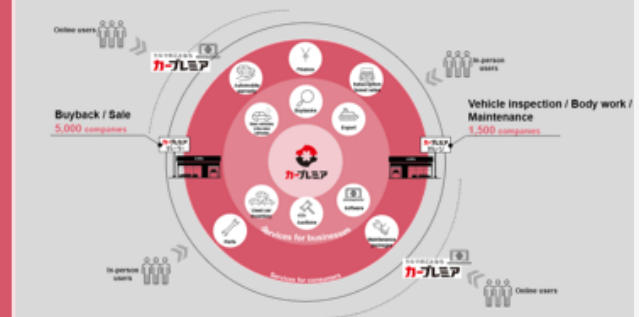
- Recruitment of DX
- Continuous investment in DX
- ↓
- Using DX promotion to streamline operations and save labour



Mobility services

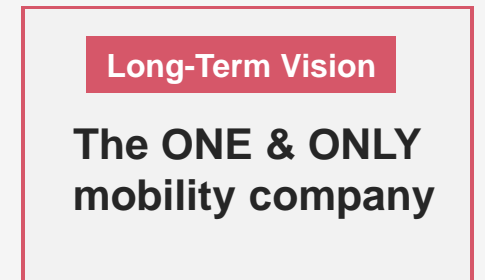
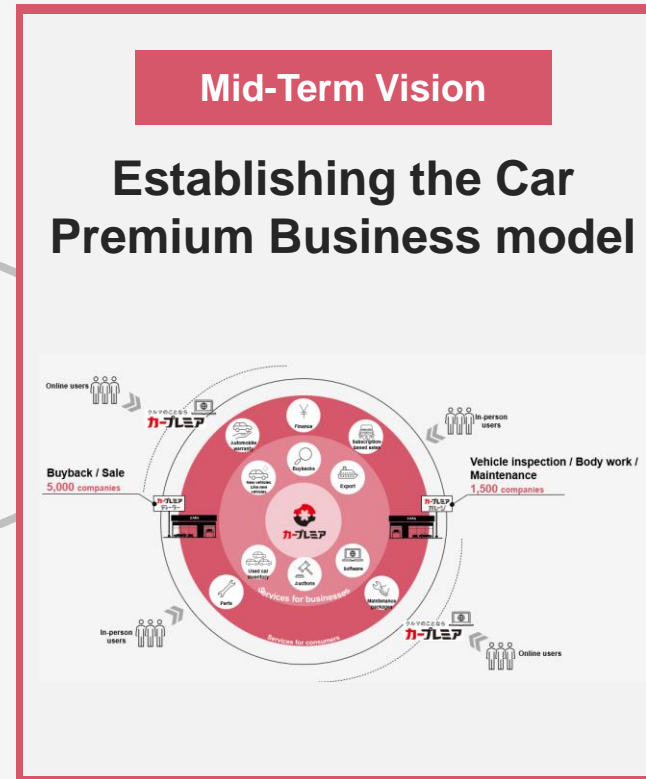
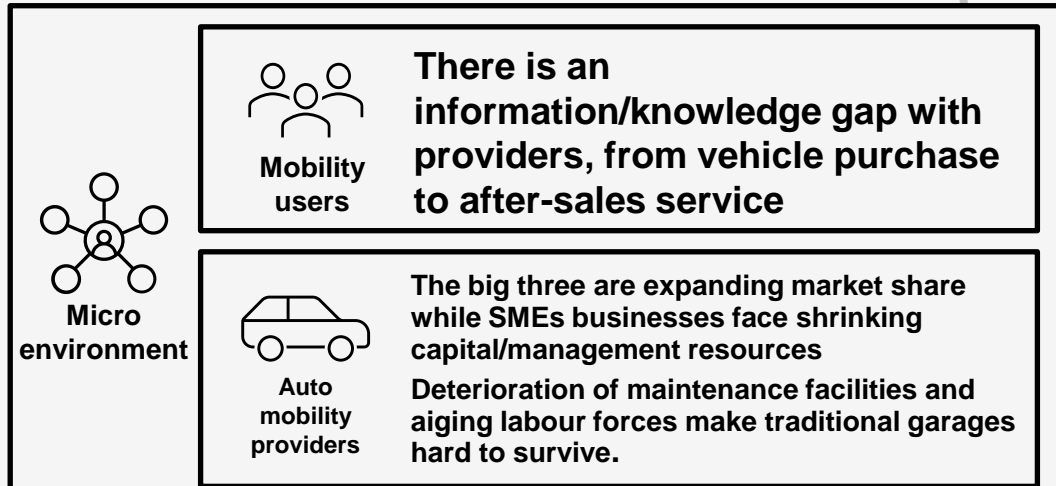
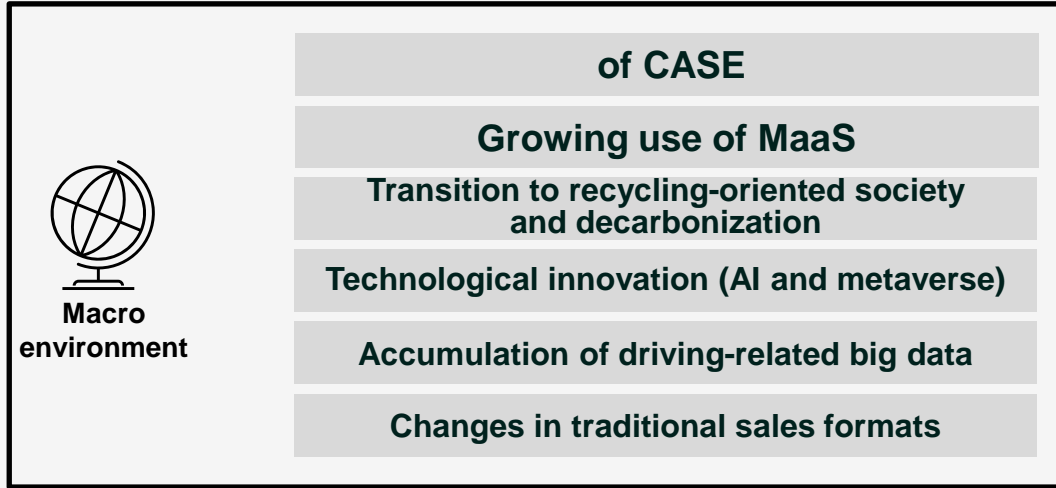
- Enhancing mobility services
- Expanding scale of each mobility business
- Developing differentiated products

Establishing the Car Premium business model



Mid- to Long-Term Vision, Derived from the External Environments

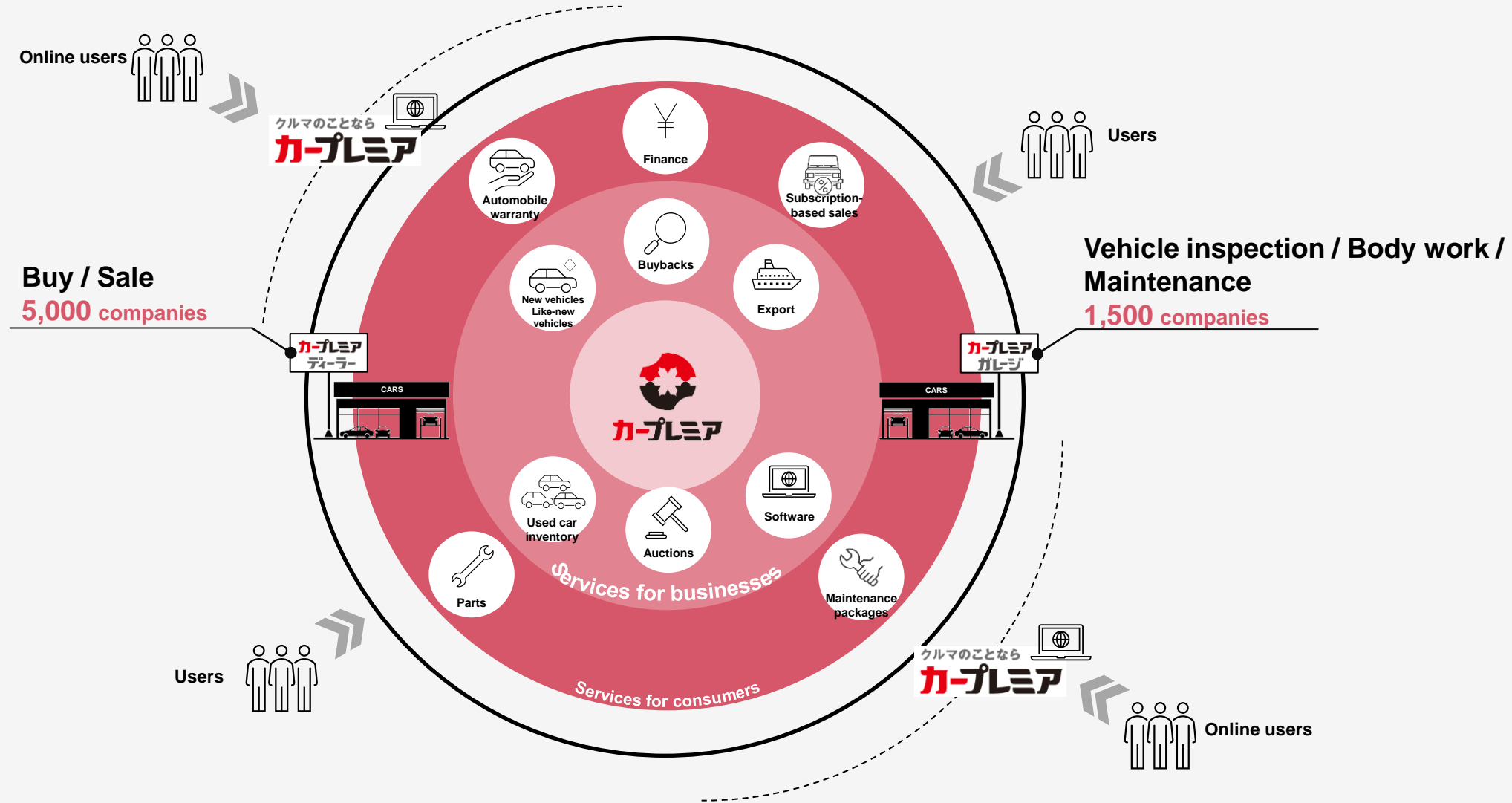
Medium- to long-term vision tailored to **macro environment** changes in a once-in-a-century transformative era and **micro environment** is essential



Towards achievement of our mid-term vision



Mid-Term Vision: Establishing the Car Premium Business Model



Materiality (Key Issues) in the Mid-Term Vision

Materiality (key issues) to achieve our mid-term vision

Key Issues



Car Premium

- Expanding the Car Premium Club
- Establishing the Car Premium brand
- Strengthening ability to attract in-person/online customers



Financing

- Expanding Car Premium Dealers
- Increasing transaction volume per member dealers



Automotive warranty

- Expanding third-party warranties market
 - Expanding sales focused on proper products developed in-house
- Reducing repair costs



Mobility services

- Enhancing mobility services
- Expanding scale of each mobility business
- Developing differentiated products

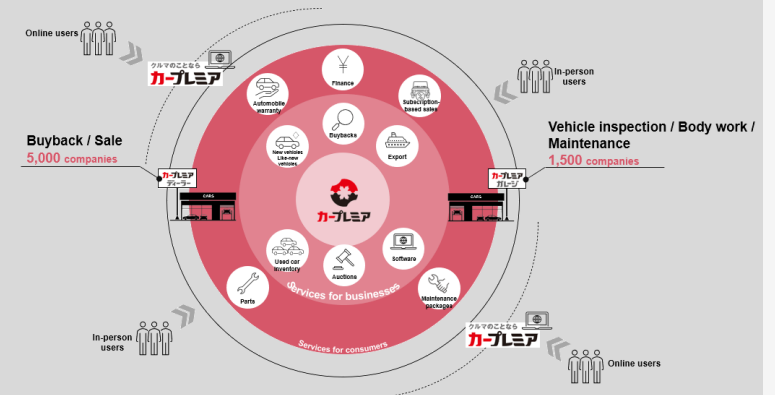
- Expanding sales volume

- Recruitment of DX
- Continuous investment in DX

- Using DX promotion to streamline operations and save labour

Mid-Term Vision

Establishing the Car Premium business model



Materiality (Key Issues)

Car Premium Segment

Key Issues

Expanding the Car Premium Club and strengthening brand and ability to attract customers

Key Policies

Expanding Car Premium Dealers to 5,000

カープレミアディーラー

Expanding Car Premium Garage to 1,500

カープレミアガレージ

Branding (Increasing visibility)



Offline/online marketing (Attracting/capturing customers)



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Finance Business Unit

Key Issues

Expanding Car Premium Dealers, increasing transaction volume per network store, and using DX to streamline operations

Key Policies

Expanding paid member transactions Substantially increasing sales PH*

カープレミアディーラー

Releasing new core system Cross-functional business improvements



Paperless conversion for all offerings Abolition of applications by fax



Collection efficiency through DX



25

Automobile Warranty Business Unit

Key Issues

Expanding sales focused on products developed in-house to expand the third-party warranty market, reducing repair costs/using DX to streamline operations

Key policies

Expanding sales of Car Premium Warranty developed in-house



Greater in-house production of repair parts



Automating adjuster tasks Going paperless



Product pricing and strengthened lineups to meet a wide range of needs



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Auto Mobility Segment

Key Issues

Expanding mobility services and developing differentiated products to entrench the Car Premium business

Key Policies

Purchasing and sales channel expansion (incl. exports) for used car inventories



Expanding sales of products developed in-house / Developing new subscription-based products

カープレミアクラブ リース

Nationwide rollout of software for mobility providers to become industry No. 2



Complete mobility platform

クルマのことなら
カープレミア
P-Gate
Portal site



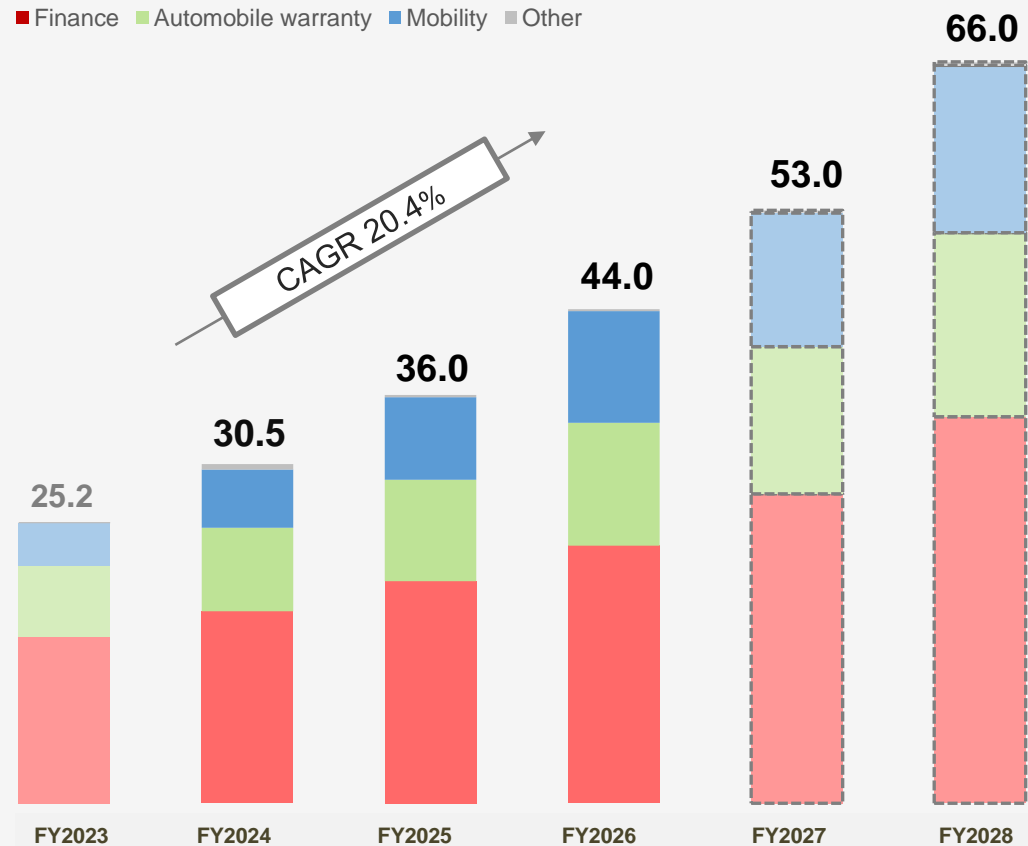
27

Targets: Management Index

Operating revenue

(Billions of yen)

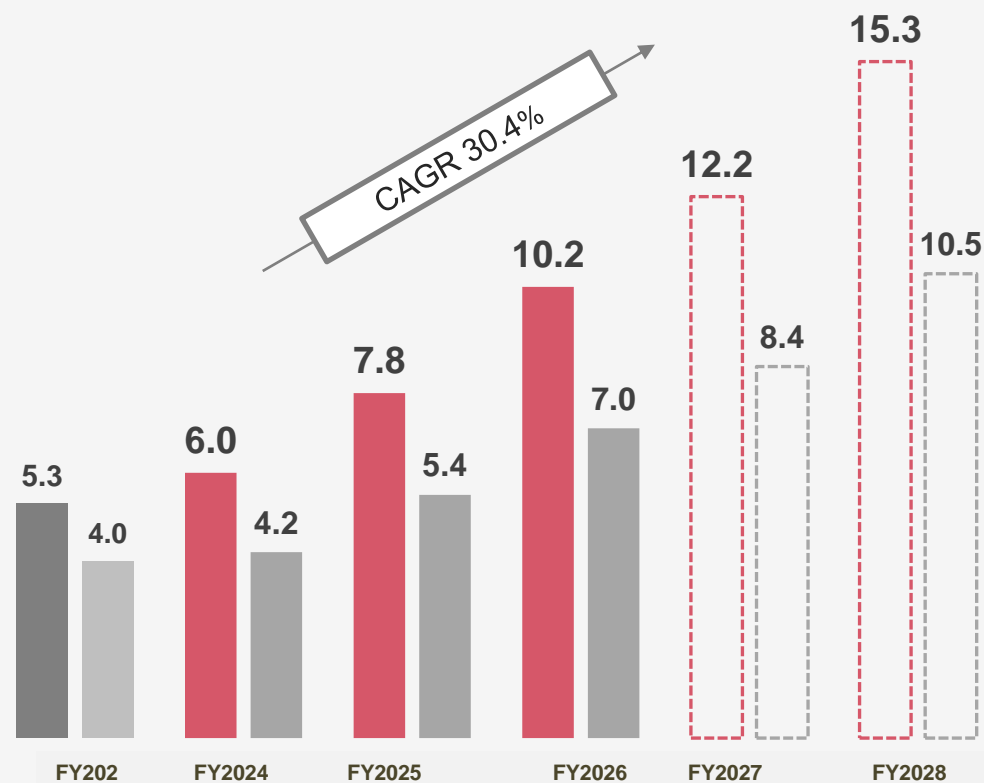
■ Finance ■ Automobile warranty ■ Mobility ■ Other



Profit before tax

(Billions of JPY)

■ Profit before tax ■ Profit attributable to owners of parent



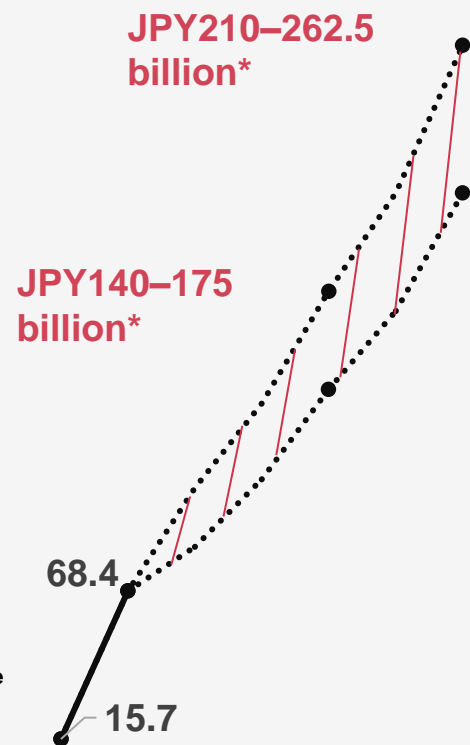
Targets: Other Index

ROE (%)

► **Maintaining the 30%–39% range**

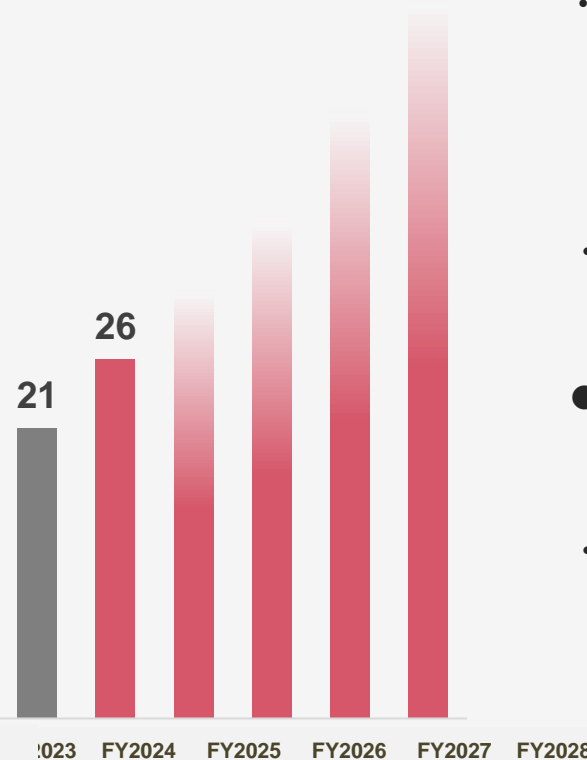


Market cap (Billions of JPY)



Dividends (Yen)

► **Increasing dividends with growth**



Other policies

● Dividend policy

• Dividends

In principle, profits earned are **focused on business investments**

Note: The Group is currently in a business growth phase. However, dividends are continuously **increasing** in line with profit growth.

• Share buybacks

Flexible decision-making based on investment opportunities, cash flow balance, stock price, etc.

● Financial policy

Diversifying funding methods while maintaining **stable, long-term** funding, mainly affiliated loans

• Obtained A ratings and above

During the period of the MTP, earn ratings of **A or higher**

FY2023 FY2024 FY2025 FY2026 FY2027 FY2028 Dec. 2017 FY2023 FY2024 FY2025 FY2026 FY2027 FY2028

*1 Source: "Summary of Financial Results: Fiscal Year Ended March 2022, First Section, Non-manufacturing Data," Japan Exchange Group

* PER used to calculate market capitalization
Upper limit: Calculated using 25x of PER for major mobility-related companies
Lower limit: Calculated using 20x of average PER (Mar. 2023) for companies listed on the TSE Prime Market

Overseas Strategy

○ Fundamental policy

- **Aggressive business development** to restore momentum stalled during Covid-19 pandemic
- **New market entry mainly in Southeast Asia**
 - Selecting as a destination mainly based upon the volume of Japanese auto maker cars sold locally and active mobility markets
- **Market entry via M&A / joint venture**
 - Building international earnings pillars while applying hedging risks
- **Combined market entry of our services**

FY23 • **Horizontally rolling out success cases** from our domestic business precedents

○ Future issues and initiatives

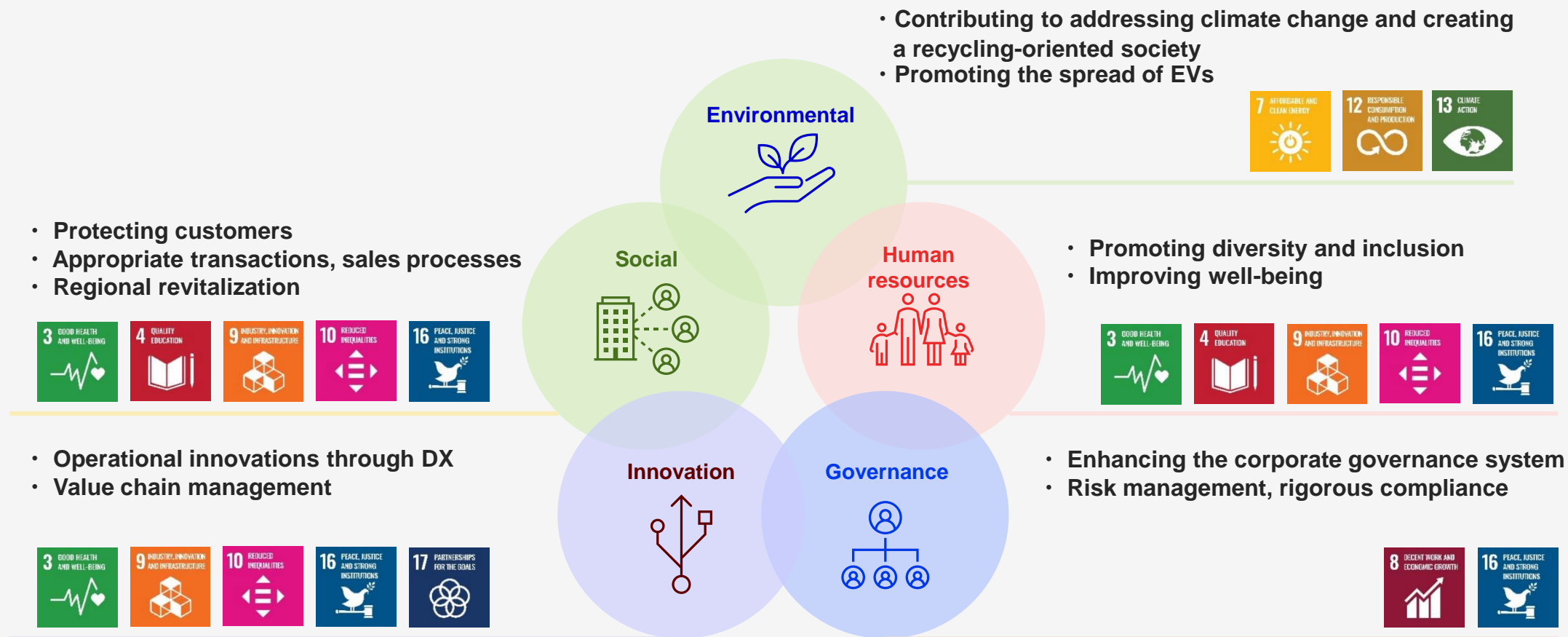
- **Securing and developing global and local human resources**
 - Recruiting and training global human resources
- **Considering new countries for market entry**
 - To secure further revenue opportunities, will collect information on local geopolitical risks and expand business as a unified group
- **Boosting international share of profit (FY2026 target: 10%)**
 - **Preparing for shrinkage of domestic market** due to population decline
 - Over the ultra-long term, targeting a 50:50 domestic-international ratio

FY30



Initiatives for Sustainable Growth: Summary

The following are our key issues sets for achieving sustainable growth



Initiatives for Sustainable Growth

Environmental



Addressing climate change

- Declaring support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations To be disclosed June 2023



Contribute to creation of recycling-oriented society

- In our business activities, promoting **business in the Reduce, Recycle, Reuse, and Repair (4Rs)** for automobiles
- Contribute to creation of a recycling-oriented society via expansion of our main businesses



Promoting the spread of EVs

- Installing **solar power generation systems and ordinary EV chargers** on Car Premium Club premises
- Contributing to the spread of EVs by providing services covering the entire used car distribution process from upstream to downstream



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Social



Customer privacy and data protection

- Acquisition of PrivacyMark from JIPDEC
- Establishing and adhering to an internal privacy policy, and implementing several measures to strengthen system security

Appropriate transactions/sales processes

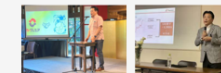
- Obtaining/renewing business registration as an individual credit purchase intermediary as required by the Installment Sales Act
- Establishing internal regulations certified as compliant with the model regulations stipulated by the Japan Consumer Credit Association
- Issuing an internal and external declaration of our basic policy concerning elimination of anti-social forces and creating mechanisms for implementation

Value chain management/DX innovation

- By promoting Car Premium, we are **building a value chain consisting of consumers, car dealers, maintenance facilities, and the Company.**
- Improving productivity by introducing AI, RPA, etc. to streamline business processes
- Creating new business models **adapted to CASE/MaaS**

Achieving both sales efficiency and social contribution

- Introducing next-generation vehicle telematics devices to streamline sales activities and improve vehicle fuel efficiency
- A portion of leasing fees for vehicle devices is donated to learning support projects through the **MIRAI 2030™ SDGs lease program**



Regional revitalization / Education

- Sponsored Yaima SDGs symposium. Provided the symposium's keynote speech.
- Providing **financial education classes at high schools** to improve financial literacy among young people and to provide opportunities to learn about economics and finance



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Human Capital



Human resource development

- Diversifying employment opportunities** by hiring year-round for both new graduates and mid-career professionals
- Providing training programs via our training subsidiary, incorporating expertise accumulated since our founding

Promoting diversity

- Actively recruiting international talent** and promoting young people and women to management positions
- Raising awareness through "Lean in Premium," a project to empower women

Work style reforms

- Expanding offices to match business expansion, **achieving diverse work styles through use of satellite offices and dedicated remote work assignments**
- Encouraging taking paid leave (encouraging employees to take long vacations twice a year)
- Utilization of company-owned recreation facilities and external vacation facilities

Respecting human rights

- Disclosing and ensuring compliance with human rights policies**
- Conducting various rank-based training programs and compliance training to create a workplace environment free from discrimination and harassment and to promote business activities



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Training expenses per employees

FY23 result	FY26 target
¥75,000	> ¥100,000

Corporate average: ¥29,000
Source: "2022 First Survey of Education and Training Expenditure" by the SAARD Research Institute, Inc., based on FY2021 results.

Percentage of female managers

FY23 result	FY26 target
19.1%	> 25%

Corporate average: 5.4%
Source: "Corporate Attitude Survey Toward the Promotion of Women (2022)", Teikoku Databank

Percentage of non-Japanese employees

FY23 result	FY26 target
12.4%	> 15%

Includes equity-method affiliates

Percentage of female directors

FY23 result	FY26 target
33.3%	> 33-50%

TSE Prime Market average 5.0%
Survey by TOKYO SHOKO RESEARCH, LTD.
Achieved 30% share of female officers as recommended by the Asian Corporate Governance Association (ACGA)

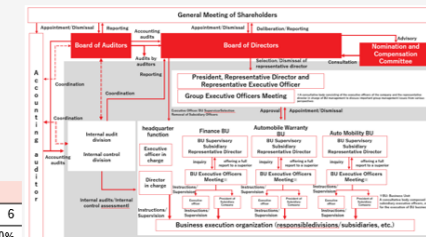
Governance



Corporate governance

- Reinforce corporate governance system
- Implementing all principles in Japan's Corporate Governance Code
- Establishing a voluntary Nomination and Compensation Committee, with **outside directors as a majority of its members**
- Introducing a stock compensation plan
- Conducting effectiveness evaluations of the Board of Directors
- Increasing the percentage of outside officers 50.0% as of March 2023

		FY20	FY21	FY22	FY23
Board of Directors	Total	6	7	8	6
	Ratio of outside members	33.3%	42.9%	37.5%	50.0%
Board of Auditors	Total	3	3	3	3
	Ratio of outside members	66.7%	66.7%	66.7%	66.7%



Compliance / Risk management

- Carrying out training programs on protection of personal information, insider trading, compliance, etc.
- Establishing a Group Risk Management Committee
- Formulating a business continuity plan (BCP) to manage risk, including the physical impact of climate change
- A **Sustainability Committee** to be established to address climate change



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5. Conclusion



Executive Summary

Premium Group is “**Mobility Company**” group.

1 Recurring revenue business model is able to enjoy less competition and stable earnings

2 Leveraging strength, Providing a variety of **mobility services**

3 Through the “Car Premium Club”, aiming to contribute to increase in transaction volume per member dealer

4 Achieving contribution to a **recycling-oriented society** through expansion of core business, and improving operational efficiency by promoting DX

5 By establishing Car Premium business model, Aiming to become “**The ONE & ONLY mobility company**”

Toward a Truly Prosperous Society

Providing the best finance and services to people around the world and contribute to building a prosperous society.

Always positive, and we work hard to build up the right process. We nurture human resources with hearts and minds who are always positive and willing to work hard to build up the right process.

APPENDIX.

Company Profile

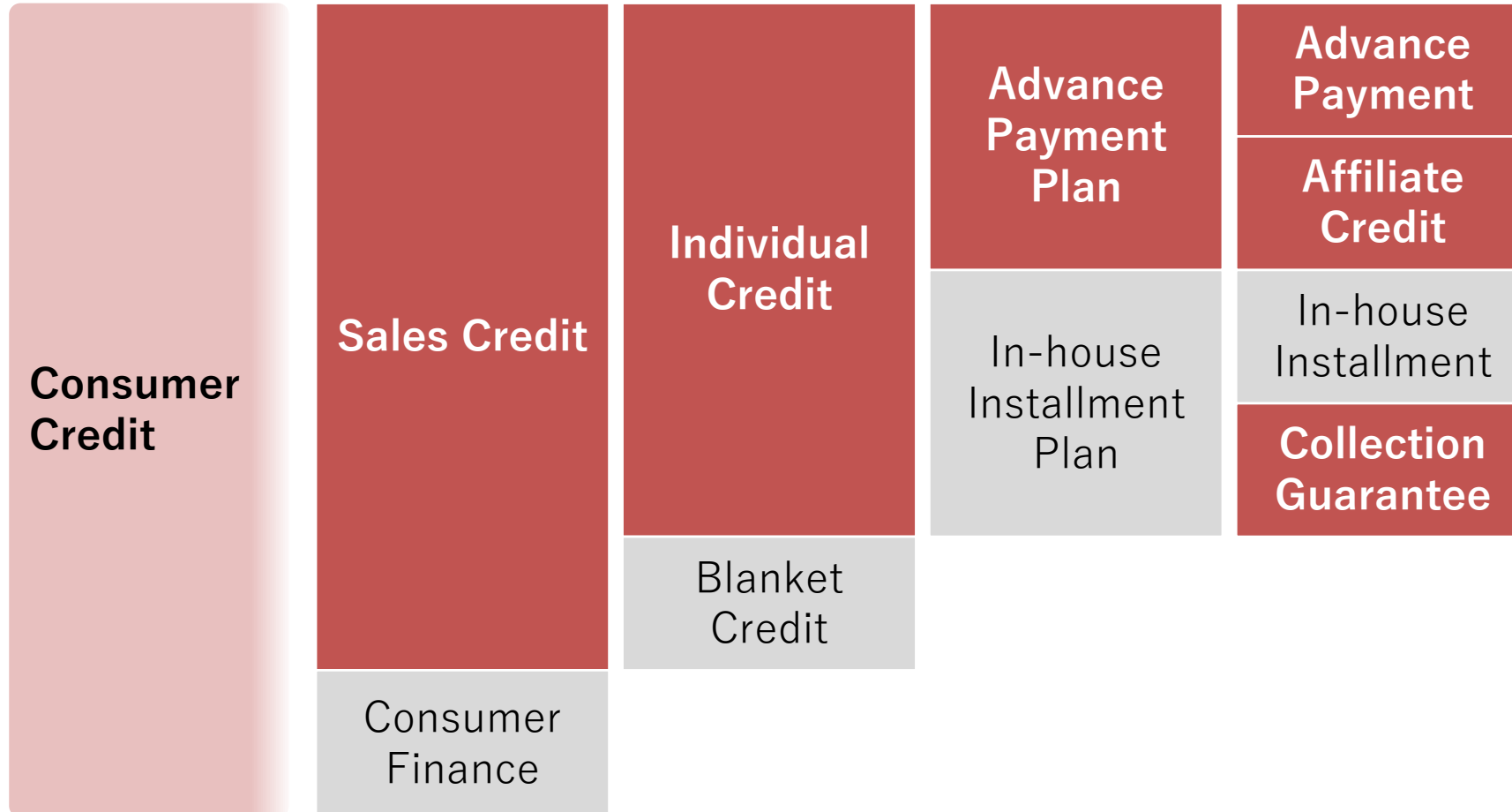
Name	Premium Group Co., Ltd.
Securities Code / Exchange	7199 / Prime Market of Tokyo Stock Exchange
Established	May 25, 2015 Note: 2007 Established Premium Co., Ltd. (Former name: G-ONE Credit Services Co., Ltd.)
Head Office	The Okura Prestige Tower, 2-10-4 Toranomom, Minato-ku, Tokyo
President and Representative Director	Yohichi Shibata
Number of Issued Shares	40,470,570 (As of March 31, 2024)
Capital	JPY1,680 million (non-consolidated: as of March 31, 2024)
Number of Employees	703 (consolidated; as of March 31, 2024) Note: Number of persons employed by the Group excluding temporary workers
Main Shareholders	<ul style="list-style-type: none">• Coupland Cardiff Asset Management: 5.83%• Nomura Securities Co., Ltd. (Nomura Asset Management Co., Ltd. and Nomura International PLC):5.23% (As of March 7, 2024; referencing the report on changes in large volume holdings, etc.)
Description of Business	Businesses in Japan and overseas* <ul style="list-style-type: none">• Car Premium (Building a membership organization of auto dealers and garages)• Finance• Automobile warranty• Auto mobility *Overseas (Thailand, Indonesia, Philippines)

History

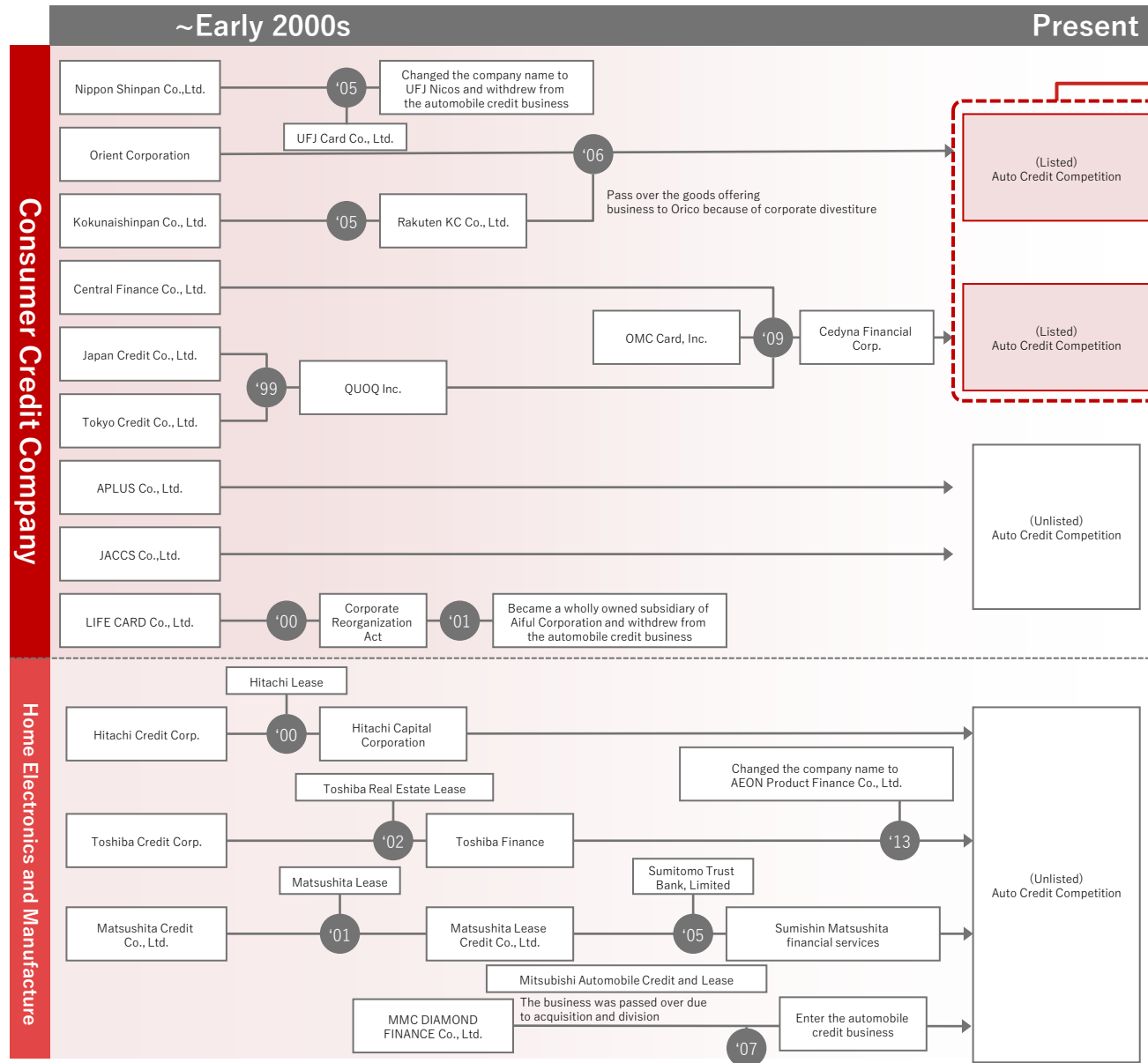
-Only 10 years needed Premium Group Co., Ltd. to be listed on the Tokyo Stock exchange.

- 2007** Premium Co., Ltd.(then G-ONE Credit Services Co., Ltd.) was established. Established as a subsidiary of G-ONE Financial Services Co., Ltd. which was second-tier subsidiary of Gulliver International Co., Ltd.
- 2010** The shareholder changed from G-ONE Financial Services to SBI Holdings Inc. The trading name changed to SBI Credit Co., Ltd.
- 2013** iSigma Capital Corporation (Marubeni's 100% subsidiary) became our parent company. Company name changed from SBI Credit Co., Ltd to Premium Financial Services Co., Ltd.
- 2015** Premium Group Co., Ltd. was established as a company to receive investments of AZ-Star.
- 2016** Premium Group Co., Ltd. accepted a third-party allocation of shares by Eastern Commercial Leasing p.l.c. (listed on the Stock Exchange of Thailand),then took 25.5% of share it and made it into an affiliate.
PFS (Thailand) Co., Ltd., (then Premium Asset Management (Thailand) Co., Ltd.) the first local affiliate overseas, was established in Thailand.
Premium Group Co., Ltd. was established as a holding company.
PAS Co., Ltd, specializing in services in the car market field, was established.
Premium Service (Thailand) Co., Ltd. (then Eastern Premium Services Co., Ltd.) was established in Thailand as a joint venture for automobile maintenance services.
- 2017** CIFUT Co., Ltd. was established in Itako, Ibaraki, as a joint venture for the manufacture/sales/provision of an engine starting control system with a locating function for automobiles.
PLS Co., Ltd. was established to expand the product lineup for auto finance.
Pt Premium Garansi Indonesia was established as a local affiliate in Indonesia to promote the warranty business.
Premium Group Co., Ltd. got listed on the TSE 2nd section.
- 2018** Premium System Services Co., Ltd. was established.
Premium Group Co., Ltd. owns 80% of Soft Planner Co., Ltd. 's shares.
Premium Group Co., Ltd. was moved to the TSE 1st section.
- 2019** Premium Group Co., Ltd. owns 100% of EGS Co., Ltd. (then L'OPERAIO SOLUTIONS K.K.)'s shares.
- 2020** Established VALUE Co., Ltd. to plan and implement training for officers and employees of the Group.
Established Premium Mobility Services Co., Ltd., which operates auto-mobility service-related businesses.
Established Premium Auto Parts Co., Ltd., which operates auto parts related businesses.
Premium Group Co., Ltd. owns 100% of CENTRAL SERVICER CORPORATION's shares.
Premium Warranty Services Co., Ltd. were established.
- 2021** Premium Warranty Services Philippines, Inc. was established as a local subsidiary in Philippines to promote the warranty business.
- 2022** Established Car Premium Co., Ltd., which manages the development and promotion of membership organizations for mobility companies.
Premium Group Co., Ltd. is approved to Prime Market(TSE).
- 2024** Established a local subsidiary in Singapore to promote global expansion.

(Reference Material) Group's Financing Business



While restructuring is in progress in the industry, barriers to new entry to the market is still high



There are 3 listed auto credit companies .

Industry trends surrounding auto credit

2006-2007
Revision of Money Lending Business Act
Lowering of maximum interest rates and overpayment problems

Restructuring of the consumer credit industry is underway.

Features of the Auto Credit Business

Large amount of money	Low interest rate
↓	↓
Small businesses are difficult to enter	Major companies are focus on a different loan

To an **oligopoly market** with few new entrants.

Improving marketing capabilities through “Systemization,” “Quantification (KPI),” and “Efficiency Improvement”

Strengthening Relationships

Sales Representative in Sight

- Sales representative visit affiliated companies and collect documents such as credit agreements and safety inspection certificates to create opportunities for communication.
- Enhance transactions leveraging our specialty (e.g., know-how and product lineup).
e.g. Scheduling in view of dates of auto auctions is possible.

Strict Management System

- Quantitative indicators for member dealers management.
- System to eliminate malicious member dealer in cooperation with JDM Center.

Credit Management

Customer Examination

- Three credit centers in Japan.
- Use CIC personal credit information database.
- Use Scoring System for examination.

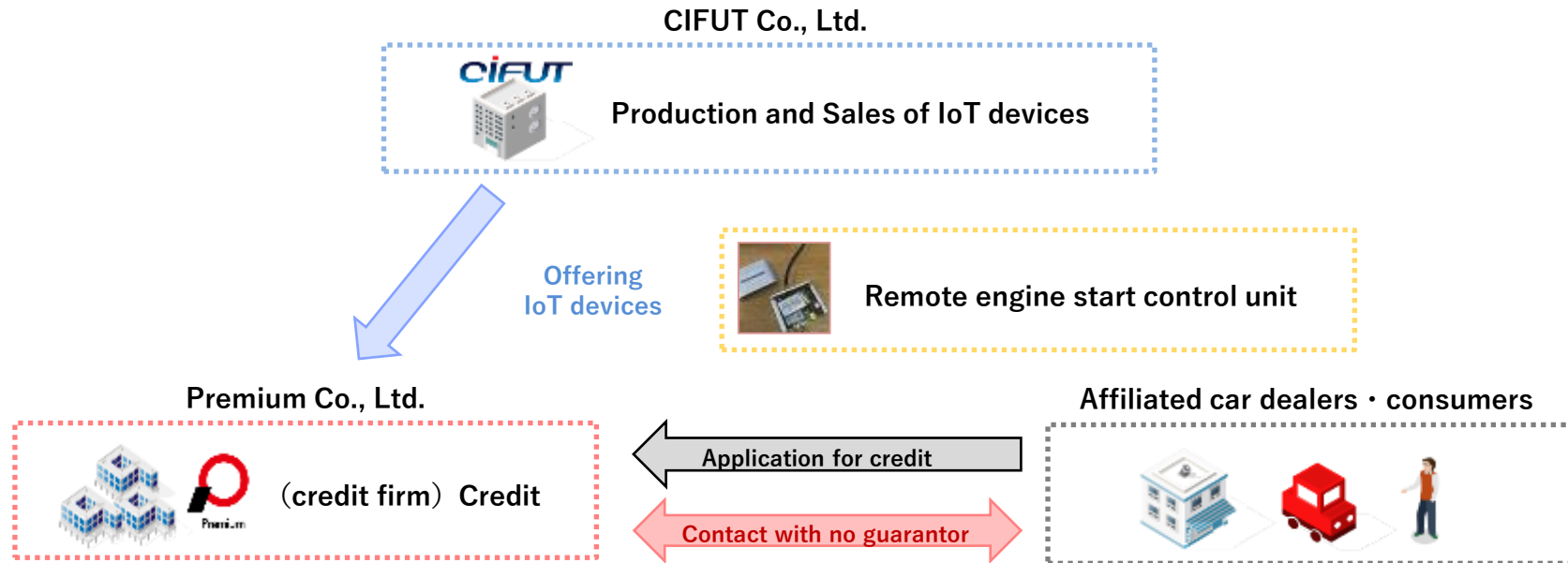
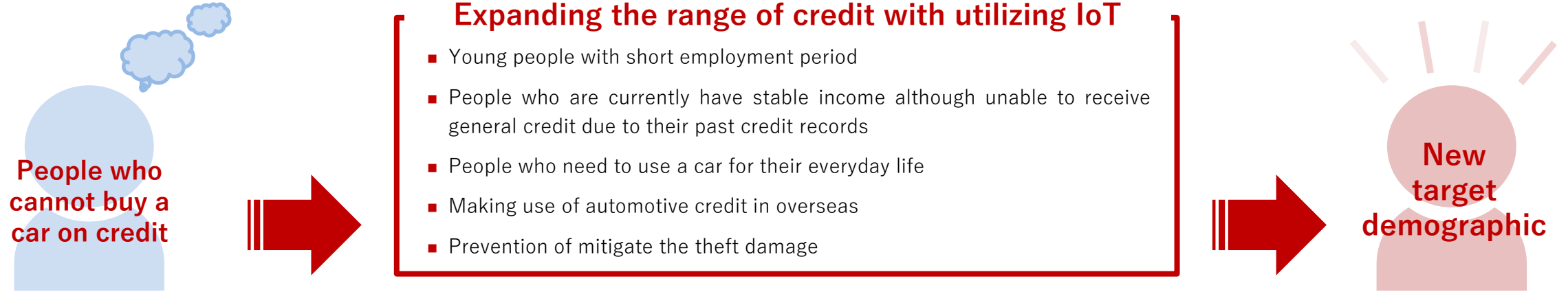
Note : Scoring System is an evaluation system that analyzes customer attributes and credit data regarding existing PREMIUM's credit, develops a model, scores their credit status, and classifies the customers into 20 ranks.

Debt Collection

- Payment reminders by using mobile phones and SMS.
- Record monthly debt collection in arrears rates as a part of KPIs.
- Encourage debt collectors to acquire qualifications.
- Train staff to improve debt collection skills.
- Applying DX method

Utilize IoT to expand target segment and prepare for our new businesses

Expanding the range of credit with utilizing IoT to create society where people can enjoy car life.



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