



Premium Group

Annual Report 2022

Premium Group Annual Report 2022





MISSION Premium Group's vision

Contribute to the construction of a prosperous society by providing top level financing and services to the world.

We will foster employees who are broadminded, have a positive outlook, and assiduously work their way towards creating results.

VALUE Premium Group's underlying principles

Toughness Mind We aim to become an enterprise and employees that have great ambition and can take on any challenges

Positive Mind We aim to become an enterprise and employees that can work on things with a positive way of thinking and exchange smiles

Gratitude We aim to become an enterprise and employees that have altruistic spirits and gratitude

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● Editorial policy

Premium Group Co., Ltd. (hereinafter the "Company") is committed to disclosure of accurate, timely, and fair information to all of its stakeholders. This Annual Report has been prepared to provide our stakeholders, including shareholders and investors, with both financial and non-financial information in details about our Group's history, the strengths and achievements we have cultivated, and our strategic scenario toward realizing our Group's mission. In addition, we have described our ESG management, which ensures that important issues pertaining to environmental, social, and governance (ESG) perspectives are reflected in our management and business strategies.

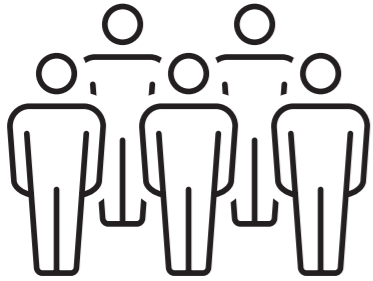
Generally, the reporting period for this Annual Report is from April 1, 2021 to March 31, 2022. However, certain disclosures and business activities that began after April 2022 have been included as well.

● Cautionary note regarding forward-looking statements

This Annual Report contains forward-looking statements. Please note that this report is based on the information available at the time and assumptions considered to be reasonable. Actual results may differ from those in the forward-looking statements due to various risks, uncertainties or other factors.

Premium Group in Numbers

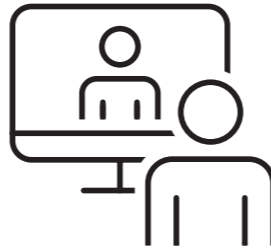
*As of March 31, 2022



Number of employees
(consolidated basis)

644 persons


(Up 8.6% YoY)



Percentage of independent
outside directors

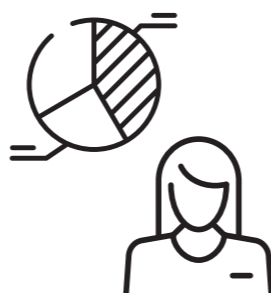
50.0%

*As of June 30, 2022




Overseas business expansion

4 countries



Percentage of
female managers

17.6%




Percentage of
female directors

33.3%

Consolidated subsidiaries

17 companies



GHG emissions


606.08 t-CO₂

Energy consumption

734,368 kWh

Affiliates

4 companies



Consolidated operating income

¥20.83 billion

(Up 16.8% YoY)

Consolidated profit before tax

¥4.02 billion

(Up 16.0% YoY)

Annual growth rate of operating income

16.8%

ROE

34.8%

Future revenue

¥36.11 billion

(Up 19.4% YoY)

Financial guarantee contracts recorded as liabilities in the consolidated statement of financial position represent future revenues (future expected earnings) of each business and will be recorded as operating income upon collection

Finance Business

Loans receivable

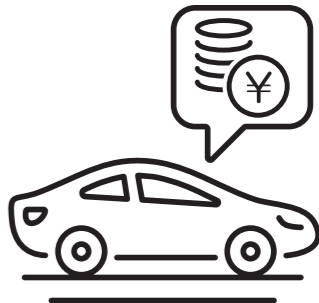
¥422.3 billion

(Up 16.8% YoY)

Total volume of new loans

¥202.3 billion


(Up 21.6% YoY)



Car Premium Club


Car Premium Dealer

1,525 companies



Car Premium Garage

399 member stores



Automobile Warranty Business

Share in the third-party warranty industry

No.1


Cumulative number of contracts

120 million or more

Total volume of new warranties

¥5.15 billion

(Up 14.7% YoY)



Auto Mobility Services Business

Operating income

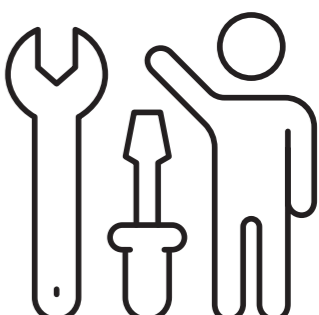
¥2.86 billion

(Up 71.3% YoY)

Maintenance facility network

3,514 stores

(Up 39.3% YoY)



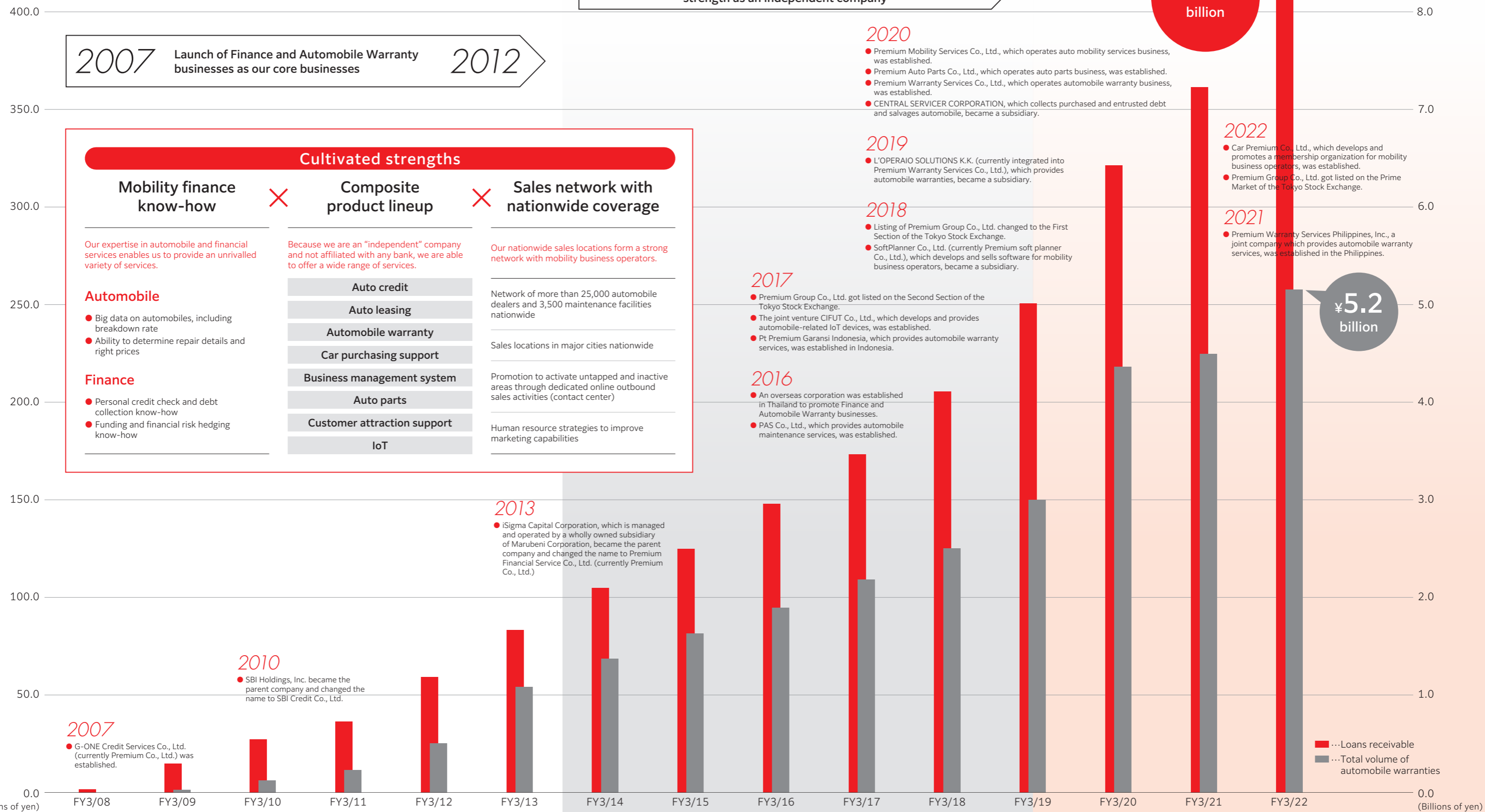
History

We have expanded our business by increasing our loans receivable and transaction volume of automobile warranties while cultivating our unique strengths. We will further evolve as an Auto Mobility Service Company in the future.

2019 Evolving as an Auto Mobility Service Company

2013 Diversified business development and overseas expansion by leveraging our strength as an independent company

2007 Launch of Finance and Automobile Warranty businesses as our core businesses



Message from the President



Introduction

Through this Annual Report, we hope that our shareholders, investors, and other stakeholders will gain a deeper understanding of our medium- to long-term value creation, from both financial and non-financial perspectives.

We will contribute to the construction of a prosperous society by steadily capturing the waves of change, and providing high value-added services both in Japan and overseas that cater to the diversifying values and styles of people's mobility lifestyles. We hope that this Annual Report will help you understand our vision for the future and value creation that we are aiming for.

Review of the business environment and financial results of the fiscal year ended March 31, 2022

In the fiscal year ended March 31, 2022, which was the second year of the COVID-19 pandemic, we were able to establish systems for coexisting with COVID, albeit gradually. In addition to the COVID-19 pandemic, there are many other issues facing us, including Russia's invasion of Ukraine, the shortage of semiconductors, and most recently, the depreciation of the yen. However, we believe that these factors exerted no significant negative impact on the Company.

We have been operating business in the domain of automobiles since the time of our establishment. The current distribution of automobiles, however, is facing a situation that has never been seen in the past, with a disruption of the balance between supply and demand, and supplies slowing down considerably.

Production and sales of new cars have been delayed significantly, primarily due to shortage of semiconductor supply, and without new cars, the supply of used cars is limited, pushing used car prices higher. As a result, the number of used cars in circulation in Japan during the fiscal year ended March 31, 2022 was significantly lower than in the previous fiscal year. However, in contrast to these market trends, one of our newly launched initiatives in the fiscal year ended March 31, 2022, the expansion of the number of members in our network of automobile dealers and maintenance facilities, has made steady progress, and our business performance for the fiscal year ended March 31, 2022 has achieved the fifth consecutive year of growth in sales and profit since our listing, as well as record-high profits.

Mission and vision

When we established the Company, we set two missions. The first is to "contribute to the construction of a prosperous society by providing top-level financing and services to the world." Although we were a small company at the time of our founding, from that time we were aiming to expand our business not only domestically, but also globally. The term "finance services" is entirely about financing. However, in our case, we consider financing and services separately, and the mission also intentionally separates "financing" and "services," and describes them separately.

As stated in our mission, we will develop our business not only domestically but also globally, and our future vision is to become a company that supports automobile distribution, and enriches the lives of our customers by providing truly unique finance and services that we are proud of. Furthermore, we want to become the number one platform provider in the automotive distribution industry.

The second mission is to "foster employees who are broadminded, have a positive outlook, and assiduously work their way towards creating results." People are the driving force behind our business and organization, whether they are our employees or our business partners. Accordingly, our reason for being is not only to achieve our target numbers and profits, but also to foster employees who are broadminded. To achieve this goal, we need to develop human resources who will promote our mission and pave the way toward the next stage on their own. Developing such human resources will not only benefit the Company, but also our employees themselves. We believe that providing a place where people can achieve their personal growth is also our role in society and our reason for being.

Further potential for new markets

We believe that the new car market in Japan will change over the medium to long term. Currently, the new car market in Japan consists of networks of new auto dealers, where new auto dealers can only sell cars made by a specific new automobile manufacturer, and new automobile manufacturers can wholesale their automobiles only to their dealers, of which the number is limited. However, I believe that this form of distribution will surely change at some point in the future. For example, as EVs and automated driving advance, not only existing automakers, but also new overseas automakers will emerge. In addition, I believe that the form of distribution of automobiles and the way we drive will change drastically, as we increasingly move away from the traditional concept of ownership toward purchase through subscription and car sharing. As new styles of distribution emerge, our business opportunities will certainly expand.

The number of affiliated automobile dealers and maintenance facilities in our network is already close to 30,000 companies. In the fiscal year ended March 31, 2022, we established a membership organization called the Car Premium Club with even more stronger connection, and are working to enhance the services we provide. Considering the network of 30,000 companies, the aggregate area of the land and store premises of these companies is quite large. This area has the potential to become space for parking vehicles and for recharging stations. We are also considering leveraging this potential to provide various functions for our Car Premium Club members in the future.

Identifying and addressing material issues

Over the long term, we believe that we need to focus particularly on decarbonization. Because our business is related to used cars, we have already established a recycling-oriented business model. For example, when a car breaks down, we believe that actively utilizing used parts and promoting reuse leads to decarbonization. We will thus contribute to decarbonization by advancing our business.

In addition, we also aim to have 4,500 Car Premium Club member companies by 2025. Because these members own land used for selling cars as well as roofs, we envision that we will put a great deal of effort into decarbonizing the industry, by using the land for electric stations for future EVs, and installing solar and other power generation systems on the roofs to provide electricity.

As stated in our mission, our actions are based on the concept of contributing to society through our business. Of course, it is also our mission to ensure that governance and other aspects of the Company are properly maintained.

Message from the President

Medium-Term Management Plan

The current fiscal year, the year ending March 31, 2023, is the third and final year of our Medium-Term Management Plan. Our major goal for the current fiscal year is to increase the number of Car Premium Club member companies to 3,500 (1,924 at the end of the previous fiscal year) for Car Premium Dealer (dealers) and Car Premium Garage (maintenance facilities) combined. In the fiscal year ended March 31, 2022, the domestic used car market declined from the previous year. However, our efforts to expand the number of Car Premium Club members actually accelerated. We believe that our strategy is perfectly geared toward the changes in the economic environment and vehicle distribution that have been brought about by the COVID-19 pandemic.

The supply-demand balance in the used car market has been disrupted, cars are becoming harder to sell due to rising prices, and the market is becoming increasingly oligopolized by major used car sales companies with strong financial resources and brand strength. However, automobile sales and maintenance facilities markets are markets that are made up of small and medium-sized players, and such players are beginning to feel quite threatened. As a result, the movement to join our Car Premium Club is accelerating.

Small and medium-sized players cannot easily make investments on their own. Although DX is being discussed extensively, the reality is that it is unrealistic for small and medium-sized players to have the structure and funds to focus on DX. We believe that our support will be the greatest benefit to our members, given the fact that the unit price of vehicles is rising rapidly, and purchasing is becoming more and more difficult.

As for our action plan for the fiscal year ending March 31, 2023, although our basic course will not change significantly, we believe that our platform strategy and media strategy will become slightly more concrete.

As mentioned earlier, we are building a sales and repair services platform for users who want to buy, sell, or repair vehicles. The platform strategy is to use this platform to connect customers with Car Premium Club member automobile dealers and maintenance facilities.

In pursuing a platform strategy, a solid brand will provide a sense of security, so we believe that the platform strategy and branding must be developed in unison. I believe that this will become more concrete in the current fiscal year.

Up until now, our business model has been more focused on BtoB business, so a media strategy and branding have not necessarily been required. However, going forward, we are now aiming to transform ourselves into a platform provider that connects C (customers) and B (businesses), so we need to build brand awareness. We are still considering what kind of media we will use, and we would like to build a brand that is comparable to that of major dealers when viewed by users.



What our DX strategy will make possible

We believe that promoting DX will provide three major benefits. The three benefits are the enhancement of services for network members, streamlining of existing internal operations, and improvement of user convenience.

For our network members, we have launched a web portal for members. All of our services are available through this portal site. One of the basic functions of the site allows members to register their inventory on the site, which is then turned into a shared inventory that is co-managed by members. For small and medium-sized automobile dealers, implementing an inventory management system in itself is a big advantage.

Other benefits, for instance, include the fact that our credit and other financing products can easily be accessed through the portal site. As a result, it becomes possible to secure peripheral revenue when a single vehicle is sold. Another benefit is that when a user enters our separately launched website for users, that user is introduced to our members.

In addition, one of our products is an automobile warranty for times when a car breaks down, and we commission network member maintenance facilities for the repair works. Therefore, when a maintenance facility becomes a network member, they can expect a steady stream of repair orders.

Although some of our existing internal operations are somewhat labor-intensive, we have achieved a significant increase in paperless operations by promoting internal DX. For example, roughly 90% of credit contracts have been made paperless.

Because we have bases and branches all over the country, our sales staff used to collect the contract documents from automobile dealers and mail them to our head office. The paperless system will have a very significant effect in eliminating all of that labor. The savings in costs, in terms of printing costs, the time and effort required for sales staff to collect the contracts, and mailing costs, have amounted to hundreds of millions of yen, which has also become a factor in the increase in profits.

Currently, we are beginning to renew our core systems. In addition, we have begun credit screening by AI from this fiscal year, and roughly 30% are now subject to automatic screening. In particular, AI is utilizing our database of past defaulted contracts to perform machine learning. As an extreme example, once AI has been introduced, the number of personnel involved in the screening process, which currently stands at roughly 60, could potentially be reduced to zero given the implementation of 100% screening by AI. The time required for screening could also be reduced to less than a few seconds, which would benefit both users and automobile dealers.

The site for users was launched in earnest in July. Once logged onto the site, users can use a variety of menu items, including access to car diagnostic software, which provides information such as whether their car needs repairs or should be replaced. Furthermore, we are also providing a system that allows users to assess their car by sending a few photos, and through such means, we aim to make the system more convenient for users while providing an opportunity for them to enter our platform.

Conclusion

We believe that the finance and services business model developed by the Premium Group in relation to automobiles is a powerful force for promoting the so-called 4Rs (recycle, reuse, repair, and reduce), and the creation of a recycling-oriented society.

We will continue to build win-win relationships with all of our stakeholders by solving social issues and enhancing corporate value, and we hope for your continued strong support.

Representative Director and President

柴田洋一

Value Creation Process

In order to build a more prosperous society, Premium Group will gain a firm understanding of the external environment and maximize its unique management capital and business model to enhance the value it provides.

Mission

Contribute to the construction of a prosperous society by providing top-level financing and services to the world.
We will foster employees who are broadminded, have a positive outlook, and assiduously work their way towards creating results.

External environment

- Development of CASE and MaaS
- Transformation of the mobility industry
- Declining birthrate and aging population
- Digitalization
- Climate change
- Growing social disparities
- Diversification of lifestyles
- Economic growth in Southeast Asia
- COVID-19

Management capital

*As of March 31, 2022

Financial capital

- Total assets: 81.8 billion yen
- Net assets: 9.8 billion yen
- Loans receivable: 422.3 billion yen
- Future revenue: 36.1 billion yen

Human capital

- Human resources with in-depth expertise in automobiles and finance
- Active promotion of women and young employees to managerial positions
- A group company that plans and implements training for our own employees: VALUE Corporation
- Percentage of female managers (core subsidiaries): 17.6%

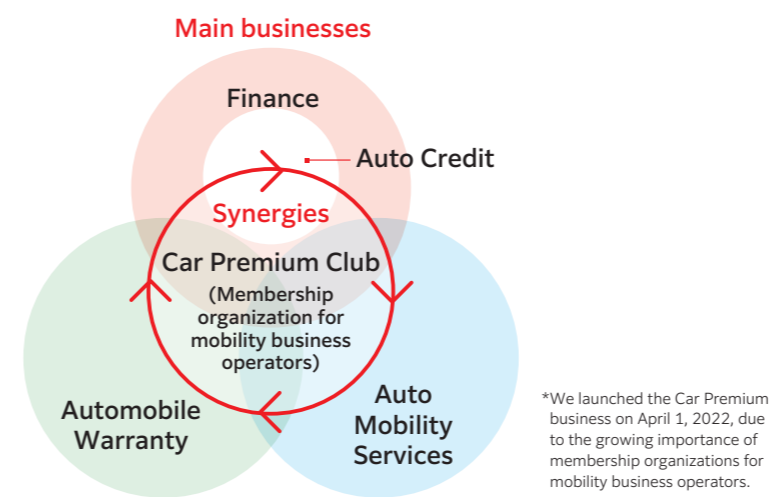
Social capital

- Automobile dealer network: 25,603 companies
- Maintenance facility network: 3,514 facilities
- Domestic business operation: 25 bases
- Overseas business expansion: 4 countries

Intellectual capital

- Finance know-how (screening and debt collection)
- Mobility know-how (purchasing, sale, repair, purchase from customers, maintenance, bodywork, dismantling)
- Human resources development know-how (a subsidiary dedicated to training)

Business model



Medium-Term Vision
Transform from an Auto Credit Company into an Auto Mobility Service Company

DX Strategy

- 1 Building a platform to connect mobility business operators and end-users
- 2 Internal operational reforms aimed at improving employee well-being
- 3 Responding to transformations in the automotive industry such as CASE, MaaS, and the shift to electric vehicles

Materiality Targets

Environment	Contribute to the formation of a recycling-oriented society by promoting the use of used cars
Society	Building the well-being of employees by fostering motivation and job satisfaction, and education
Governance	Formation of security and trust through protection of customers' personal information and appropriate transaction processes
Toward sustainable growth	Governance system that ensures transparency and soundness of operations
	Creation of innovations to strengthen competitiveness

Strengthen corporate governance, risk management, and compliance systems

Value provision

Customers

- Realization of a safe, convenient, and affluent car life
- Improvement of economic environment and financial literacy

Society

- Formation of a recycling-oriented society
- Reduction of energy consumption and GHG emissions

Partner

- Improvement of management efficiency and IT literacy
- Mutual development among mobility business operators

Employees

- Improvement of employee motivation and job satisfaction
- Development of each individual's ability and output capabilities

Shareholders

- Returning profits
- Enhancement of corporate value and stock price

Further reinforcement of strengths

Premium Group's Medium-Term Vision

We will move away from being an Auto Credit Company, and transform ourselves into an Auto Mobility Service Company.

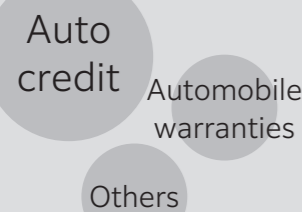
Changes in society Issues facing the used car industry

- Lack of information and services related to after-sales support for used cars (individual customers)
- Limited capital and management resources disadvantageous in competition with major companies (mobility business operators)

Our approach

- Provision of reliable used cars and after-sale services
- Management support for SMEs

What we have been up until now
Auto credit company



Backcasting

Medium-Term Management Plan "VALUE UP 2023"

Transform from an Auto Credit Company into an Auto Mobility Service Company

- 1 Reinforce Finance business, one of our strengths
- 2 Expand the market for automobile warranties
- 3 Expand Auto Mobility Services business
- 4 Aim to become a platform provider in the used car and maintenance markets

Key strategies

Finance business

Expansion of sales, Innovation in operations, Debt collection by leveraging group synergies, Sale of repossessed cars

Automobile Warranty business

Increase awareness, Cost reduction through in-house repair of breakdowns

Auto Mobility Services business

Expansion of service lineup, Promotion of platform concept

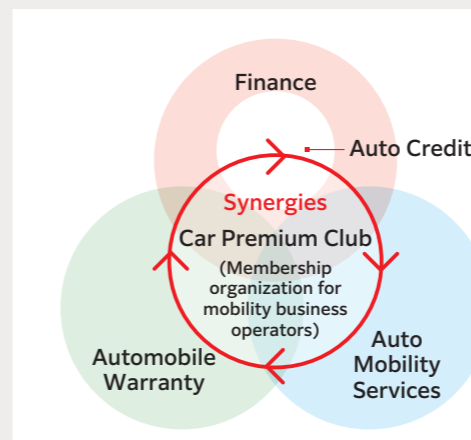
Car Premium Club*

Car Premium Dealers: 3,000 member companies
Car Premium Garage: 1,500 member stores
Building a platform to connect individual customers

*We launched the Car Premium business on April 1, 2022, due to the growing importance of the Car Premium Club (membership organization for mobility business operators).

Promote DX strategy closely related to the achievement of the Medium-Term Management Plan

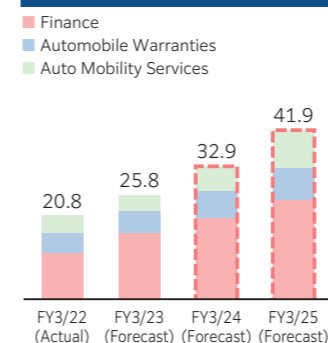
Auto Mobility Service Company



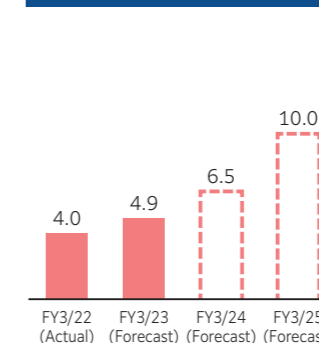
Provides the only platform in Japan that can offer individual customers a one-stop service for automobile search, negotiation, financing, after-sales service, and resale, through its nationwide network of automobile dealers and maintenance facilities

Financial targets

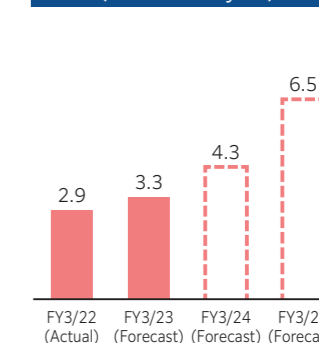
Operating income (Billions of yen)



Profit before tax (Billions of yen)



Profit attributable to owners of parent (Billions of yen)



*From the Medium-Term Management Plan released in May 2021

Capital policies

Financial soundness

Maintain a capital adequacy ratio of approximately 10% through an asset-light financial strategy while continuing a conservative accounting style

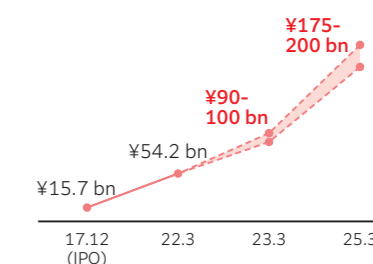
Capital efficiency

Aim for ROE in the 30% range by building an optimal business portfolio with consideration to return on shareholders' equity and pursuing efficiency through DX promotion

Shareholder returns

Policy to reward shareholders in terms of both share price and dividends
Continue to increase dividends stably while prioritizing growth investment for business expansion

Market capitalization



*1...PER used to calculate market capitalization
Upper limit: PER 30x, using PER of similar companies (with network in the automobile industry) as reference

Lower limit: PER 27x, using the average PER of companies listed on the First Section of the TSE (as of Dec. 2020) as reference

*2...For actual figures, market capitalization is calculated using the closing price at the end of each month.

Premium Group's DX Vision

The key measures in our Medium-Term Management Plan are closely related to DX, and we are actively promoting DX with our DX Vision.

DX Vision

As a platform provider consisting of a team of individuals who shine together, we will jointly create a Premium car life with end-users and mobility business operators.

Core business strategy

Business DX

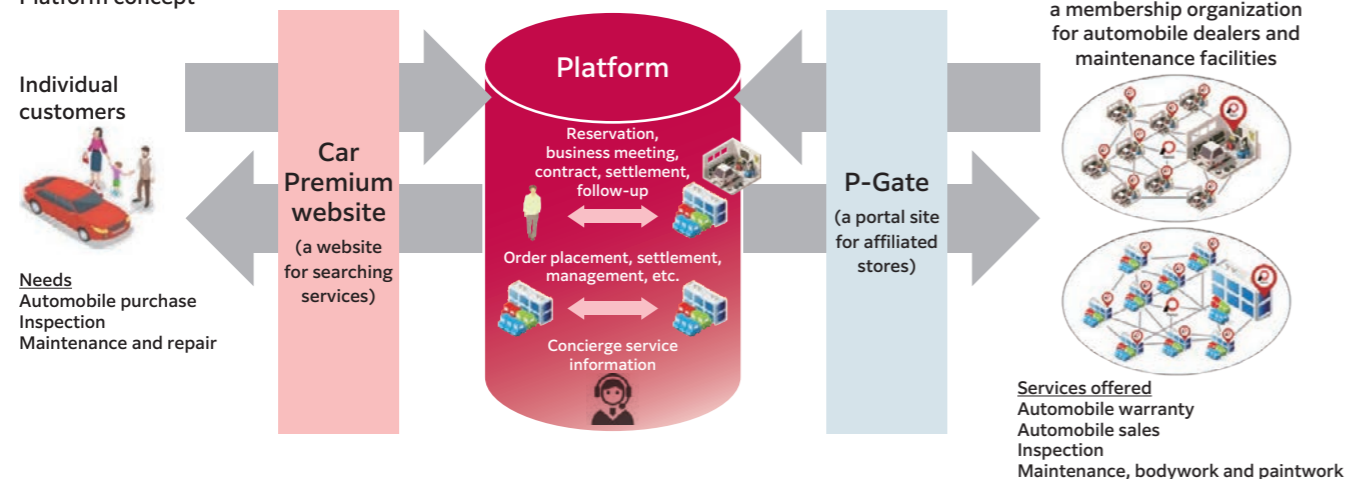
● Improve the management efficiency of mobility businesses and deliver safety and convenience to end-users

- Expand business opportunities by matching automobile dealers and maintenance facilities above a certain level (below, "B") with prospective car buyers and those seeking repair, etc. (below, collectively referred to as "C") on the platform.
- A mechanism will be established so that daily operations such as inventory management and sales performance management of B can also be performed on the platform.
- Build a mechanism to complete a series of B to C transactions online, including reservations for store visits and business meetings, quotations, contracts, settlements, and follow-ups.
- When a problem or breakdown occurs after purchase, C will be guided to the platform, and a system will be established to propose appropriate services and maintenance facilities where the car can be serviced, like a concierge service.

● Support for CASE, MaaS, and electric vehicles

- Aim to build a next-generation platform that can respond to changes in the automotive industry.

Platform concept



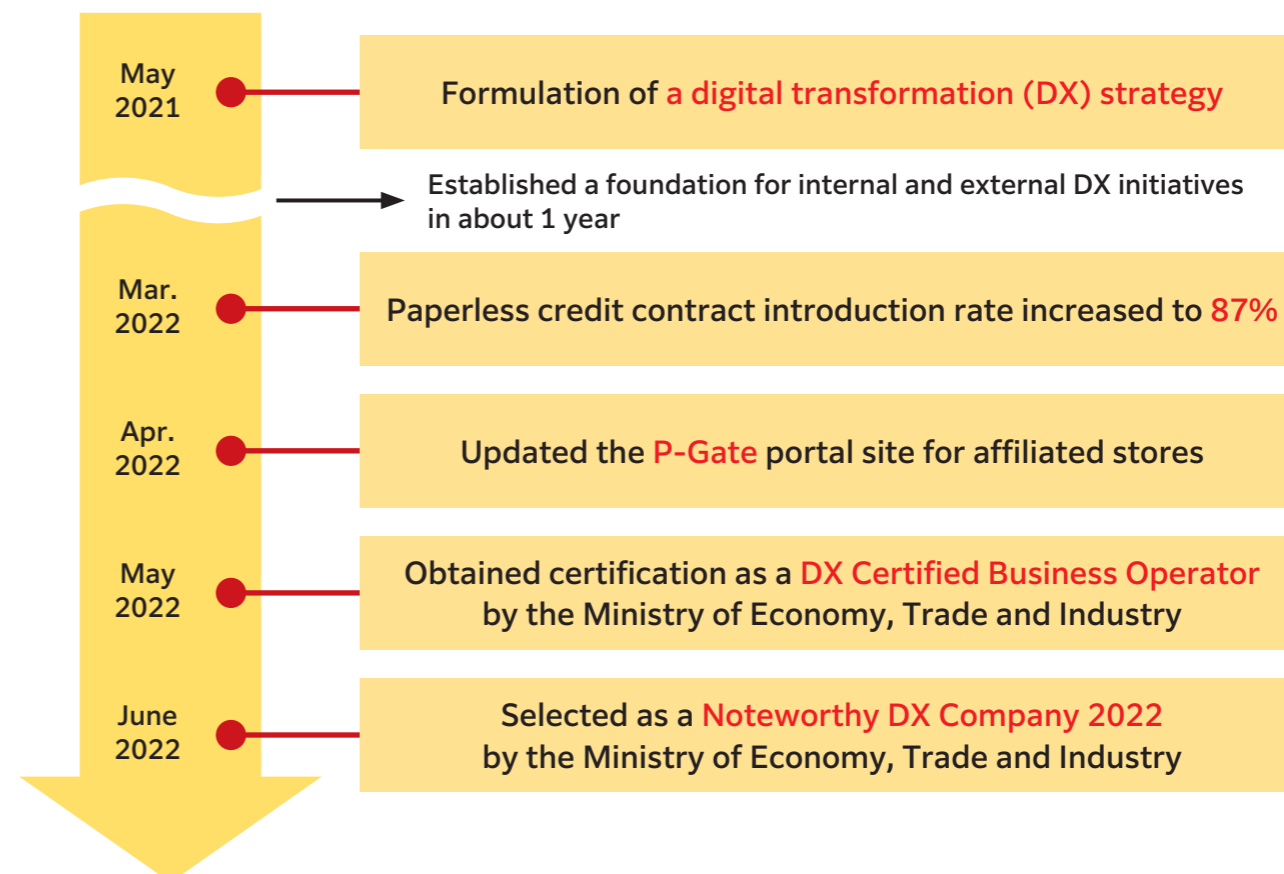
Internal DX

● Enhance employee well-being

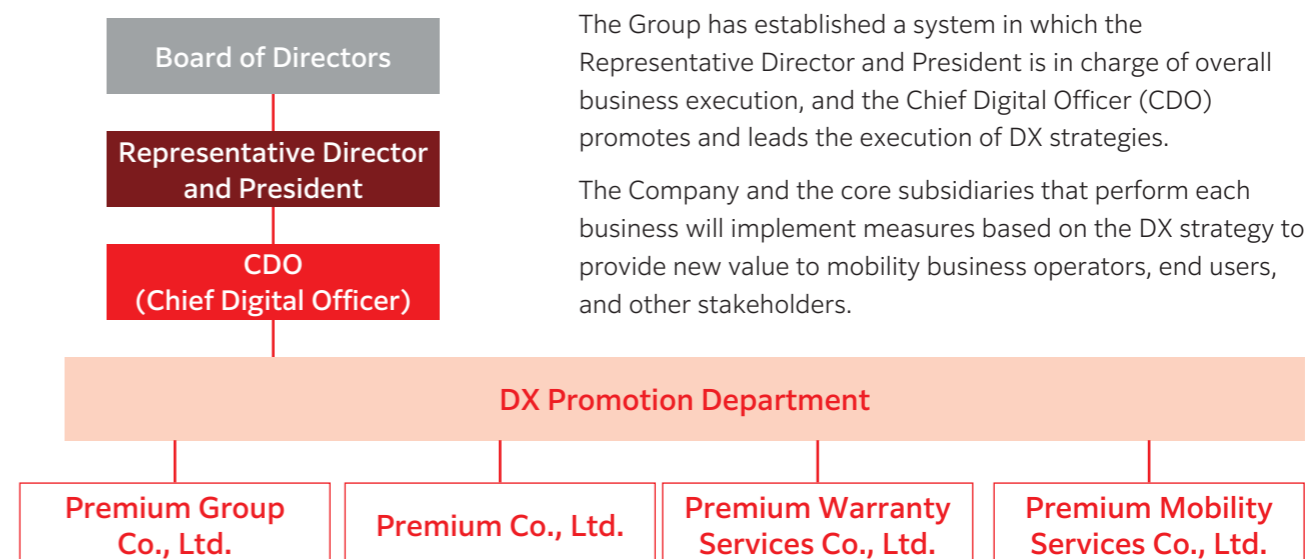
- Assist employees to work with independence, free from all constraints.
- Promote Work From Anywhere (WFA) by saving and automating operational tasks through digitalization.
- Establish a system to provide high quality and advanced services through mutual complementation of humans and technology.

Timeline and DX progress

Since formulating our DX strategy, we have been working on DX with speed by building a foundation for DX promotion. As a result, about a year later, we obtained certification as a DX Certified Business Operator and were selected as one of the Noteworthy DX Companies 2022.



DX organization and foundation (governance system)



Business Overview

*As of March 31, 2022

Premium Group is an auto mobility service company that works with automobile dealers and maintenance facilities to deliver an affluent car life to customers. Its three main businesses are Finance, Automobile Warranty, and Auto Mobility Services, making it an unprecedented and unique company that provides a complex range of automobile-related services.



	Finance business	Automobile Warranty business	Auto Mobility Services business	Car Premium business
Business activities	Providing auto credit services for automobile purchases in installments, as well as leasing services and debt collection services	Providing free repair services for purchased vehicles when they break down	Providing services that are useful for the business operations of automobile dealers and maintenance facilities, and services that support the car lifestyles of general customers	Development and promotion of Car Premium Club, a membership organization for mobility business operators
Main business partners	Automobile dealers	Automobile dealers	Automobile dealers, maintenance facilities	Automobile dealers, maintenance facilities
Main businesses	• Auto credit • Auto leasing • Servicer	• Automobile Warranty business • Overseas expansion of Automobile Warranty business (Thailand, Indonesia, and Philippines)	• Sales of used parts domestically and internationally • Wholesale sales of automobiles • Sales of business-use software • Operation of own maintenance facilities	• Establishment of Car Premium Dealer, a membership organization for automobile dealers, and Car Premium Garage, a membership organization for maintenance facilities
Competitive advantage	• Independent, not affiliated with a bank, enabling cross-selling of non-finance services	• No.1 share in the third-party warranty industry • Ownership of proprietary cost containment scheme	• Has a network of mobility business operators (25,000 automobile dealers and over 3,500 maintenance facilities) as a sales channel	• Established a system that enables coexistence and co-prosperity with mobility business operators

Started on April 1, 2022

*On April 1, 2022, we launched the Car Premium business, which builds membership organizations, and transferred auto leasing to the Auto Mobility Services business, parts sales to the Automobile Warranty business, and the operation of our own maintenance facilities to the Car Premium business.

Synergies among businesses

Each business not only stands alone, but also interacts with each other to achieve further growth and expansion.

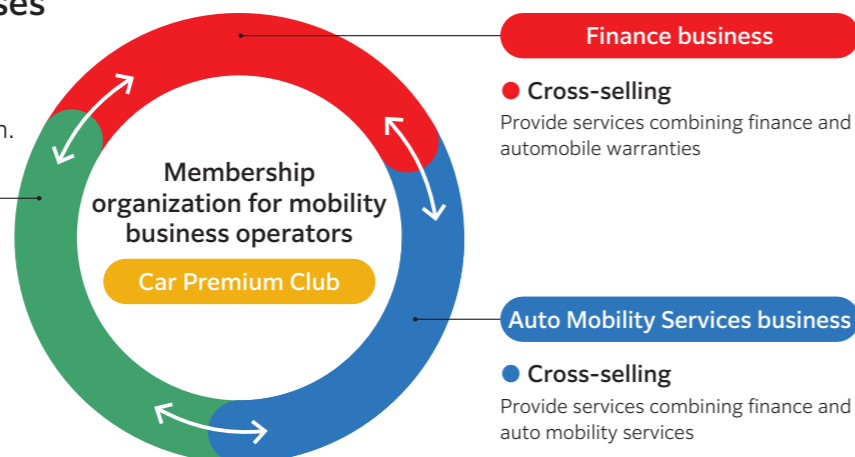
Automobile Warranty business

● Cost containment

Contain repair expenses (at cost) by outsourcing automobile warranty repairs and supplying repair parts at low prices

● New business creation

Creation of new businesses combining big data on breakdown repairs and mobility expertise



Earnings portfolio to be aimed for

Toward 2025, we will further expand the proportion of the Auto Mobility Services and Car Premium businesses, while also maintaining the growth rate of the Finance and Automobile Warranty businesses. As a result, we will transform ourselves from an Auto Credit Company to an Auto Mobility Service Company through a change in our earnings portfolio.

FY 3/2022



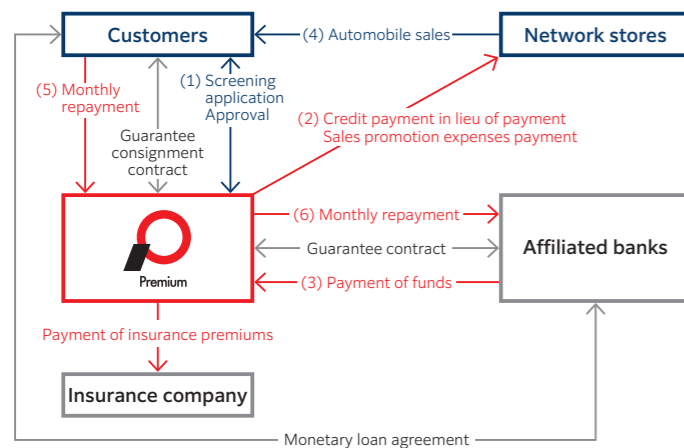
■ Finance business ■ Automobile Warranty business ■ Auto Mobility Services business

Finance Business

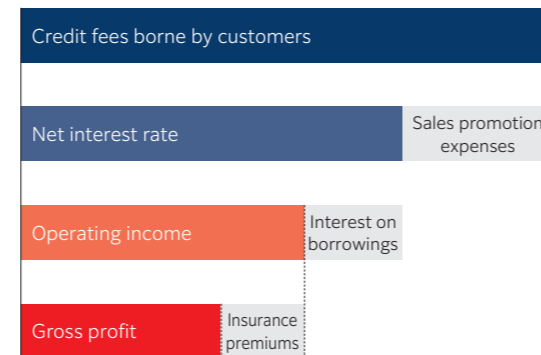
Business model and profit structure

We focus on auto credits and auto leasing that allow customers to purchase cars in installments. (Others: Ecology credit for the purchase of solar power generation systems, collection of purchased and entrusted receivables, etc.)

Auto credit structure (affiliated loan method)



Profit image



Note: This is an example of an affiliated loan scheme and may differ from actual transactions.
*On April 1, 2022, auto leasing operations were transferred to the Auto Mobility Services business.

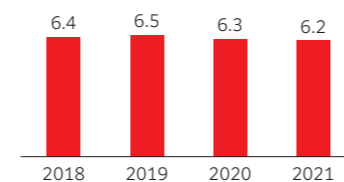
Strengths and characteristics

- Because we are an independent company that is not affiliated with a bank, we are not bound by laws and regulations (Banking Act) and can provide services other than financing
- We are insured against bad debts, so there is no need to make an allowance for bad debts
- We specialize in auto credit because of our expertise in automobiles
- The delinquency rate for auto credits is low due to the small-lot and short-term nature of the loans
- Our servicer subsidiary, CENTRAL SERVICER CORPORATION, has expertise in long-term delinquent collections, which enables us to recover debt

Market environment and opportunities

- Demand for automobiles is stable because they are a daily necessity
- High barriers to entry in the auto credit industry make it difficult for new entrants to enter the market
- The Company's share of the auto credit market is about 10% among listed companies, and there is room for further development
- The number of car buyers is expected to increase as more people choose to travel by car due to COVID-19 and as EVs become more popular

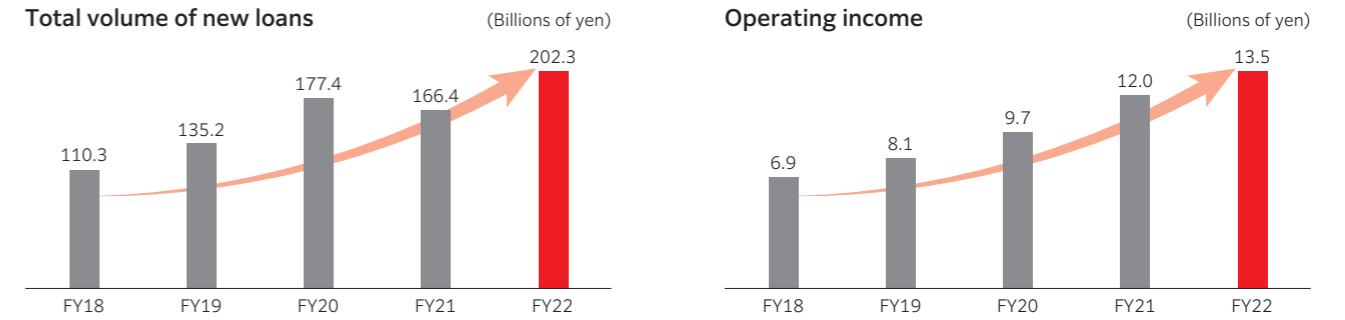
Number of registered used cars (Million vehicles)



Source: Japan Automobile Dealers Association, Japan Light Motor Vehicle and Motorcycle Association

Risks and countermeasures

- **Delinquency and bad debt risk**
→ Insure loans receivable and file insurance claims in the event of default
Strengthen debt collection by acquiring a servicer specializing in auto credit as a subsidiary
- **Funding**
→ About 90% of total credit is funded by banks, and we are only in charge of guarantees
*Considering corporate credit that does not meet bank lending standards and the age of the borrowers at the time of full repayment, we handle some of this credits with in-house credits



Notes: • Total volume of new loans refers to the total amount of credit and lease contracts newly signed in the period
• The figures are inclusive of the total volume of new loans of products other than automotive credit financing (Ecology Credit, etc.), and are the actual results of Premium Co., Ltd.
• The decrease in transaction volume in FY2021 was due to the impact of voluntary restraint on sales visits during the COVID-19 pandemic, as well as our strategy to maintain and improve profitability by emphasizing quality rather than quantity of credit

Progress of the Medium-Term Management Plan

Taking into account the impact of COVID-19, the quantitative targets in the Medium-Term Management Plan were revised in May 2021.

Since then, we have made steady progress as a result of various efforts to achieve the targets.

Key strategies

Achieve strong topline growth

Expansion of sales

- Expansion of sales area in the form of BIZ sites
- Increase sales personnel (to 130)
- Increase the number of network stores and promote membership organization of network stores

Improve operational efficiency and profitability

Operational innovations

- Establish AI screening system
- Automate back-office functions
- Go paperless

Seek further earnings contributions via creation of synergies

Group-based debt collection

- Strengthen ties with CENTRAL SERVICER CORPORATION for collection of Premium Co., Ltd.'s medium- and long-term debt

Create new revenue opportunities

Sales of repossessed cars

- Sell repossessed cars through affiliate store membership structure after securing high-quality cars repossessed by debt collection

Progress status *As of June 30, 2022

- Subdivided sales locations into 25 locations to strengthen sales organization
- Increased the number of sales staff to 94, almost reaching the target of 100
- Going forward, we will increase transaction volume by the introduction of fee-paying membership and systemizing the platform concept, among others 1,768 Car Premium Dealers (paying members of automobile dealers)
From FY2023, building and expanding membership organization will be the responsibilities of the Car Premium business

- Full-scale introduction of AI automatic screening in June 2022, automating about 30% of credit screening
- Increased paperless credit contracts to 93.1%

- Sharing within the Group the medium- to long-term debt collection know-how of CENTRAL SERVICER CORPORATION
- Introduction of call center systems (IVR, predictive call) at both companies for efficient calling operations

- Grew into a key content of services for Car Premium Dealers (automobile dealer members)
Promote expansion in the Auto Mobility Services business as an automobile wholesaling
- Potential increase with expansion of Car Premium Club (membership organization) and balance of receivables

What can be achieved in the Finance business

In the Finance business, we will expand sales opportunities for automobile dealers and opportunities for customers to purchase vehicles by offering highly convenient auto credit. We will also contribute to environmental preservation by promoting other Ecology Credit products and paperless contracts.

Consumers	<ul style="list-style-type: none"> • People who have difficulty paying in cash can purchase a vehicle by paying in installments • Compared to bank loans, no extra procedures or hassles are required when applying for a loan • Automatic screening allows for quick and accurate results 	
Mobility business operators	<ul style="list-style-type: none"> • Expand sales opportunities to customers 	
Environment	<ul style="list-style-type: none"> • Contribute to environmental preservation by promoting paperless contracts • Contribute to environmental preservation by developing Ecology Credit products such as solar power generation systems 	

Automobile Warranty Business

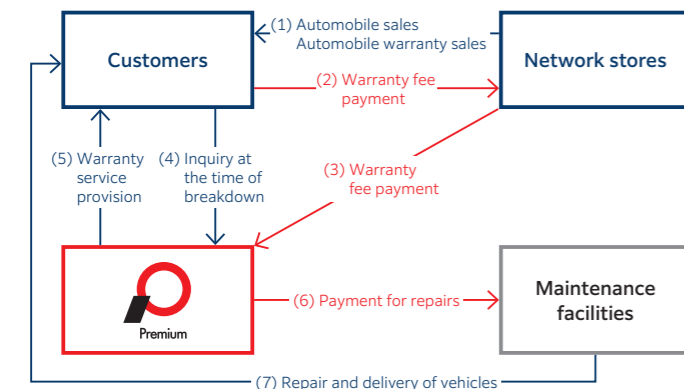
Business model and profit structure

To ensure the long and safe use of automobiles, we offer a warranty service covering natural breakdowns.

Mechanism of automobile warranty

Unlike automobile insurance that covers accidents, this service covers repairs for natural breakdowns

	Automobile insurance	Automobile warranty
Scope	Damage caused by accidents	Natural breakdowns that occur under normal use
Payment	Monthly premium payment	Lump-sum prepayment of warranty fee
Policyholder benefits	Payment of insurance claims	Provision of free repair service



Business model and profit structure

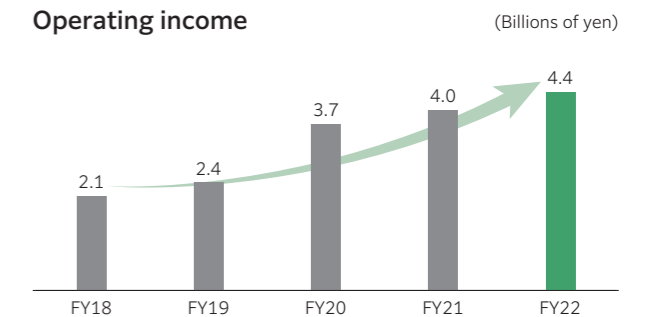
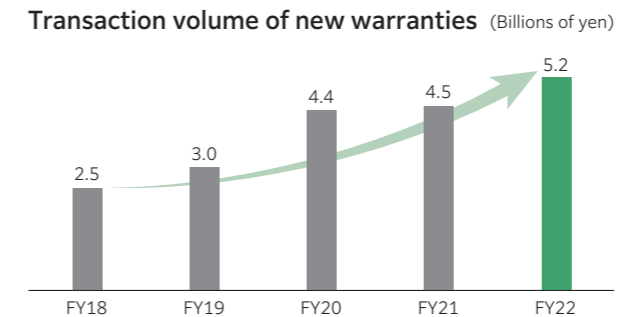
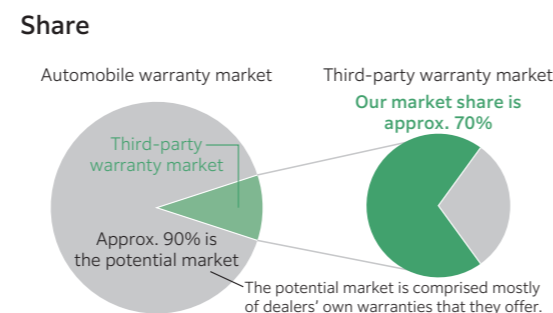
Automobile warranty fee paid by customer	
Automobile warranty wholesale price (operating revenue)	Sales promotion expenses
Profits	Automobile warranty cost

Strengths and characteristics

- Benefits for both network stores and customers
 - (Network stores)
 - Network stores can entrust us with handling inquiries and repairs after purchase
 - A warranty provided by a listed company gives customers a sense of security, which leads to sales opportunities
 - (Customers)
 - The warranty is provided by a listed company, so there is a sense of security in terms of cost appropriateness and support provided
 - The warranty contract with us continues even if the automobile dealer goes bankrupt or out of business
- No.1 Share
 - We have the largest market share in the third-party warranty industry, and have an overwhelming amount of data at hand *Cumulative number of contracts exceeds 1.2 million cars
- We request repairs to our network of maintenance facilities, and our subsidiary will supply the parts necessary for the repair

Market environment and opportunities

- Growing interest in vehicle safety leads to greater demand for automobile warranties
- We will be able to reach out to new customer segments by expanding our lineup of automobile warranty products for EVs and other next-generation vehicles
- As the wave of digitization leads to spread of online car sales in Japan, as in other countries, people may consider purchasing a car without seeing it in person, which will further increase their interest in safety and demand for third-party warranties



Risks and countermeasures

- Repair costs
 - Reduce repair costs by procuring parts at our subsidiary parts company to reduce parts procurement costs, and having our voluntary chain of maintenance facilities handle repairs

Progress of the Medium-Term Management Plan

Taking into account the impact of COVID-19, the quantitative targets in the Medium-Term Management Plan were revised in May 2021.

Since then, we have been making steady progress through various efforts to expand awareness of the automobile warranty service.

Key strategies





- Growth of the market itself**
 - Approximately 8%* of used car buyers consciously opt for a used car warranty service
 - Improve awareness and promote the necessity of automobile warranty services
 - Continue to strengthen sales of existing products by increasing sales staff and other measures
 - Develop extended warranty products and expand sales
 - Reduce repair costs by using maintenance facilities within the membership organization and using recycled parts procured within the Group, and reflect the reduced costs to the sales price
 - Implement advertising measures to improve awareness

Progress status *As of June 30, 2022

- By focusing on sales expansion of products developed in-house, the total volume of in-house products in FY2023 Q1 grew significantly up 38.3% YoY
- Launched Premium Automobile Warranty EX, a new service that allows customers to receive our warranty service after the expiration of automobile warranties provided by automobile dealers
- Curtailment of automobile warranty-related costs by promoting repair at member maintenance facilities and parts procurement within the Group
- Implementation measures to grow awareness through direct sales by sales representatives and videos, etc.

What can be achieved in the Automobile Warranty business

The Automobile Warranty business contributes to environmental preservation by reducing the number of decommissioned vehicles through the safe and long-lasting use of automobiles. It will also lead to increased sales opportunities, as consumers will be able to use their vehicles without fear of breakdowns.

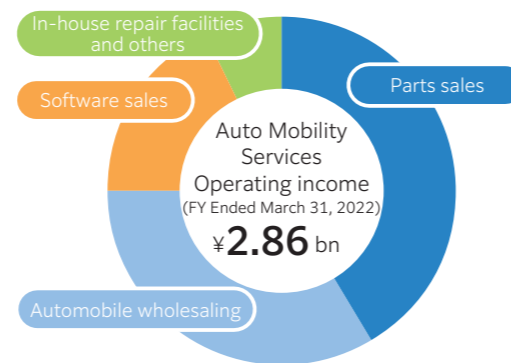
Consumers	<ul style="list-style-type: none"> Growing interest in vehicle safety leads to greater demand for automobile warranties As the wave of digitalization leads to spread of online vehicle sales in Japan, as in other countries, people may consider purchasing a vehicle without seeing it in person, which will further increase their interest in safety and demand for third-party warranties Used cars can be used with peace of mind without fear of breakdowns 	 
Mobility business operators	<ul style="list-style-type: none"> Can reach out to new customer segments by expanding the lineup of automobile warranty products for EVs and other next-generation vehicles Expand sales opportunities to customers 	
Environment	<ul style="list-style-type: none"> Contribute to environmental preservation by promoting paperless warranties Contribute to environmental preservation by reducing the number of vehicles decommissioned due to breakdowns 	

Auto Mobility Services Business

Revenue breakdown and introduction of each business

This service is designed to deliver an affluent car life to customers together with automobile dealers and maintenance facilities.

We are expanding our four main services and diversifying our revenue structure through aggressive new business development.



Parts sales

We sell used (recycled) and remanufactured (rebuilt) parts to mobility business operators. The Group's business model is less risky than typical local parts dealers because we do not carry a parts inventory. Auto dismantlers of Group companies extract parts from decommissioned vehicles and export them not only within our Group but also to Africa and Latin America, where Japanese cars are widely used.

Automobile wholesaling

Support dealers in purchasing vehicles by selling auto-credit repossessed vehicles* at low prices to our dealer membership organization (Car Premium dealers)

*For customers who have difficulty making auto-credit payments, vehicles under contract are repossessed and redeemed to meet remaining obligations

Software sales

(Provision of business management software)

Sales of business management software ("GATCH") to mobility business operators
This software facilitates the issuance of quotations, invoices, and order forms, as well as customer management, thereby improving operational efficiency

Others

<Operation of own maintenance facilities>



Operates two directly managed maintenance facilities in Sapporo City, Hokkaido. One of the directly operated shops, our original FIXMAN-brand shop, is positioned as a model store for Car Premium Garage to be introduced nationwide in the future, offering the latest services such as introduction of environmentally friendly water-based paint and advance deployment of new products

<Provision of new services> Premium services tailored to the diverse car-driving styles and needs of customers



Service that allows customers to choose the car they want to drive, the amount of time they want to drive it, and the aftercare they want



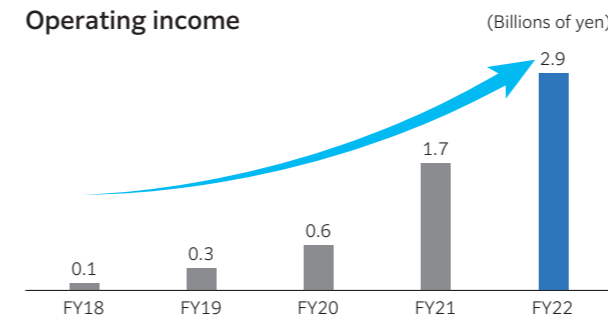
<Formation of a membership organization>

Promote membership organization of maintenance facilities (Car Premium Garage) to provide higher value-added services

*On April 1, 2022, we transferred auto leasing operations to the Auto Mobility Services business, parts sales to the Automobile Warranty business, and the operation of our own maintenance facilities to the Car Premium business.

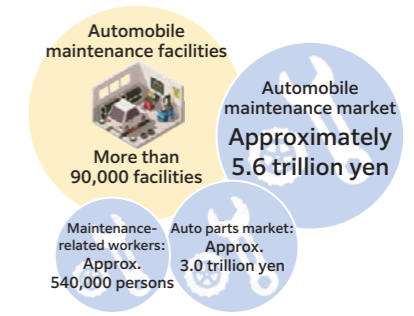
Strengths and characteristics

- We have an ample market due to our network of mobility business operators (1,800 member companies of Car Premium Dealer and more than 600 member stores of Car Premium Garage)
- Synergy with our businesses, for example, parts sales and Automobile Warranty business, Automobile wholesaling and Finance business, etc.



Market environment and opportunities

- Increased demand for new ways of driving (subscriptions, car sharing) as more and more non-car owners choose to drive instead of taking public transport, practicing physical distancing to prevent COVID-19 infection
- Increased demand for support for SMEs that are unable to keep up with technological sophistication
- Foreign EV manufacturers that do not have a sales channel in Japan seeking to use the sales channel of a domestic mobility business operator network
- Increased demand for support for SMEs that are unable to keep up with digitalization



*According to "Automotive Aftermarket" and "Auto Maintenance Industry" by Yano Research Institute

Risks and countermeasures

- Weakening of SMEs due to the rise of large used car dealers and manufacturer-affiliated repair shops
→ Operate own maintenance facilities and identify issues faced by business operators → Product planning to meet expectations

Progress of the Medium-Term Management Plan

Taking into account the impact of COVID-19, the quantitative targets in the Medium-Term Management Plan were revised in May 2021.

Since then, we have made steady progress with various initiatives in our newly launched Auto Mobility Services business.

Key strategies

Diversify revenue sources and become more environmentally conscious to achieve sustainable growth of the Group

- Expansion of service lineup
- Prompting affiliated used car dealers and maintenance facilities to join our membership organization
- Development of new businesses that contribute to reduction of CO₂ emissions
- Promotion of platform concept

Progress status *As of June 30, 2022

- Planning new services internally and considering the acquisition of synergistic businesses with the Company, as appropriate
- Established a membership organization of 1,768 member companies of Car Premium Dealer and 588 member stores of Car Premium Garage
- Started PPA (power purchase agreement) business, aiming to install solar power generation systems and ordinary EV chargers in facilities of our membership organization
- Launched a website for customers, "Car Premium for all your car needs," to attract and send customers through the website

*We have been approaching organization members in the Car Premium business since April 1, 2022.

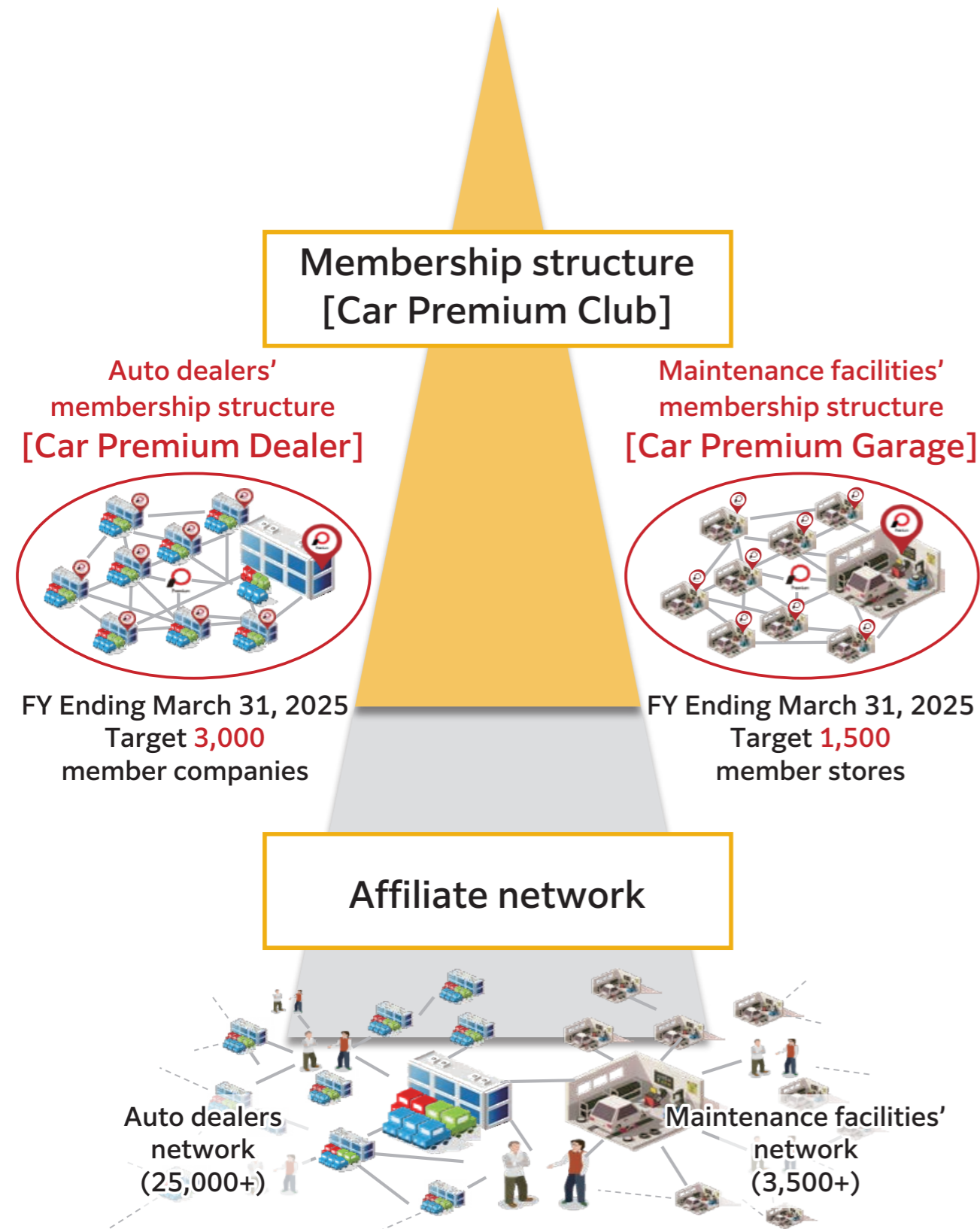
What can be achieved in the Auto Mobility Services business

In the Auto Mobility Services business, we will achieve a better car life through the development of a variety of services, and will also actively work to protect the environment.

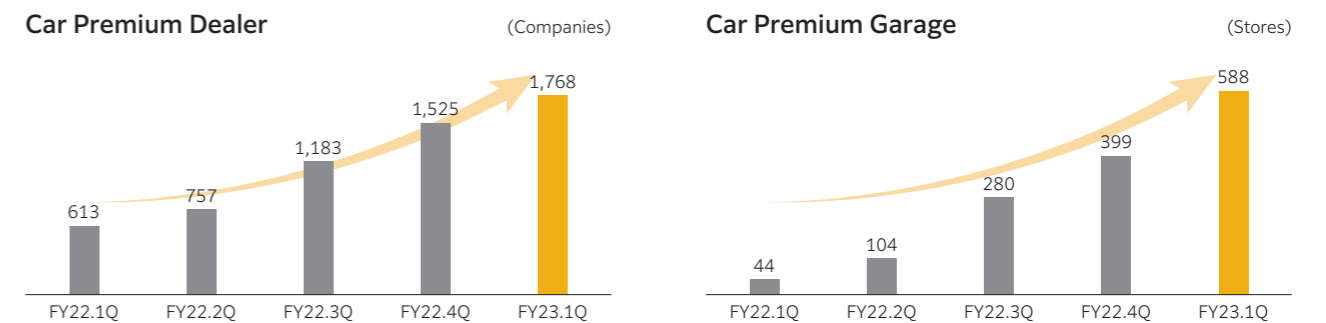
Consumers	• Will be able to enjoy a variety of car lifestyles that go beyond car ownership	
Mobility business operators	• Strengthened competitiveness	
Environment	• Contribute to environmental preservation by reducing the number of decommissioned vehicles by providing full after-sales services that enable vehicles to be used for a longer period of time • Contribute to environmental preservation by handling recycled and rebuilt parts extracted from decommissioned vehicles	

Car Premium Business *Started in April 2022

We have been promoting fee-based memberships among automobile dealers and maintenance facilities, and in April 2022, the name of the membership organization was changed to Car Premium Club and became independent as a Car Premium business due to its increased importance.



Number of Car Premium Club members by quarter



Strengths and characteristics

- We have already established business relationships with automobile dealers through auto loans in our Finance business and with maintenance facilities through vehicle repair requests in our Automobile Warranty business
- The first-ever initiative by a finance company

Market environment and opportunities

- The decline in the production of new cars has led to a decrease in the number of used cars in circulation and a sharp rise in their prices, giving major automobile dealers with strong financial resources an advantage
- Growing demand for support for SMEs that are unable to keep up with technological sophistication and digitalization

Risks and countermeasures

- Weakening of SMEs due to the rise of large used car dealers and manufacturer-affiliated repair shops
→ We support SMEs by organizing them into a system that can compete with the major players

Future prospects

- Establish a membership organization, the Car Premium Club
- Establish the Car Premium brand to create a safe and comfortable environment for customers to enjoy their car life
- Attract and send customers to the Car Premium Club

Symbol mark and logo mark

Symbol mark

- The silhouettes of the cars above and below represent **the cycle of Car Premium's support for everything related to cars**, from purchase to maintenance, which customers can use with peace of mind

Logo mark

- The boldness of the letters in the logo expresses a sense of dependability and **security**, and the wind-like detailing expresses the flowing **smart service** that Car Premium pledges

Color

- The **corporate colors** of the Group
- Red represents **passion**, and black represents **support**

Overseas Strategy —Providing top level financing and services to the world—

Premium Group is expanding into Southeast Asia and other countries in order to build an overseas earnings pillar in the future.

Basic policy

- **Seed planting period until FY2023 and harvesting period from FY2025 onward**
 - Starting to develop an overseas revenue base for the long-term growth of the entire Group
- **Entry into the market through joint ventures (JV)**
 - Establish an overseas earnings pillar while minimizing risks by not making them wholly owned by the Company
- **Expansion mainly in Southeast Asia**
 - Select Southeast Asia, where Japanese cars are widely used and the mobility market is in its growth phase, as an area for expansion
- **Expand mainly in the Automobile Warranty business**
 - Aim to be a pioneer in Southeast Asia, an underdeveloped region in the automobile warranty market

Future issues and initiatives

- **Travel restrictions due to the COVID-19 pandemic**
 - Implementing close communication through the Internet, etc.
 - Ensure the safety of employees posted abroad by sending them back home before the infection spreads
- **Local lockdown**
 - Make decisions on a flexible basis according to trends in each country, etc.
- **Secure, train, and manage global and local human resources**
 - Actively recruit students with an overseas preference, and after gaining business knowledge in Japan, select young employees for overseas assignments
 - Implement local recruitment activities and education
- **Identify local needs and gather information**
 - We will expand our business as a unified group by gathering information locally and working closely with the specialized department at the head office
- **Consideration of new countries for expansion**
 - Constantly collecting and reviewing information in order to secure further profit-earning opportunities

Phase 1 (FY 3/2023) Seed planting period

Phase 2 (FY 3/2025) Harvesting period

Overseas expansion

We are expanding our business mainly in Southeast Asia, and are gradually increasing the number of countries in which we operate as well as our revenues from the region.



Tanzania, etc. Auto Mobility Services

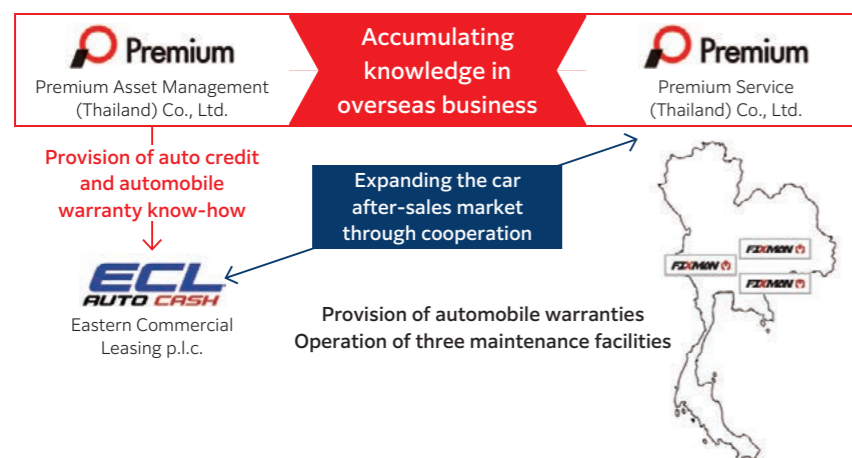
Exporting recycled parts and operating maintenance facilities
We are expanding into Central and South America, and will continue to explore other countries in the future



*On April 1, 2022, the operation of parts sales was transferred to the Automobile Warranty business.

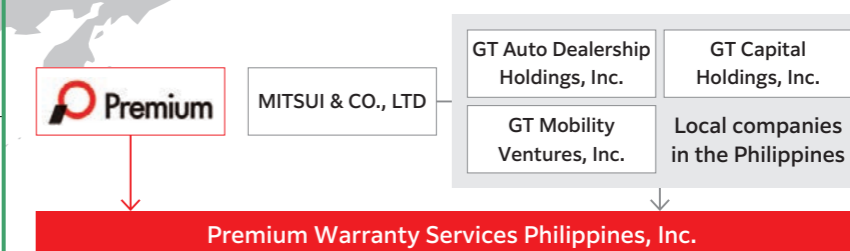
Thailand Finance Automobile Warranty

Providing auto credit and automobile warranty know-how and promoting provisions of automobile warranty and maintenance services



The Philippines Automobile Warranty

Expand together with MITSUI & CO., LTD. and local companies as the leading provider of automobile warranty services in the Philippines



Indonesia Automobile Warranty

To promote Automobile Warranty business together with SUMITOMO CORPORATION and local companies



Materiality

Premium Group has identified six materialities (material issues) as important issues to be addressed in order to accomplish our mission and achieve sustainable growth toward the formation of a sustainable society. By steadily addressing these materialities, we will first aim to achieve our Medium-Term Management Plan VALUE UP ↗ 2023, and then our mission.

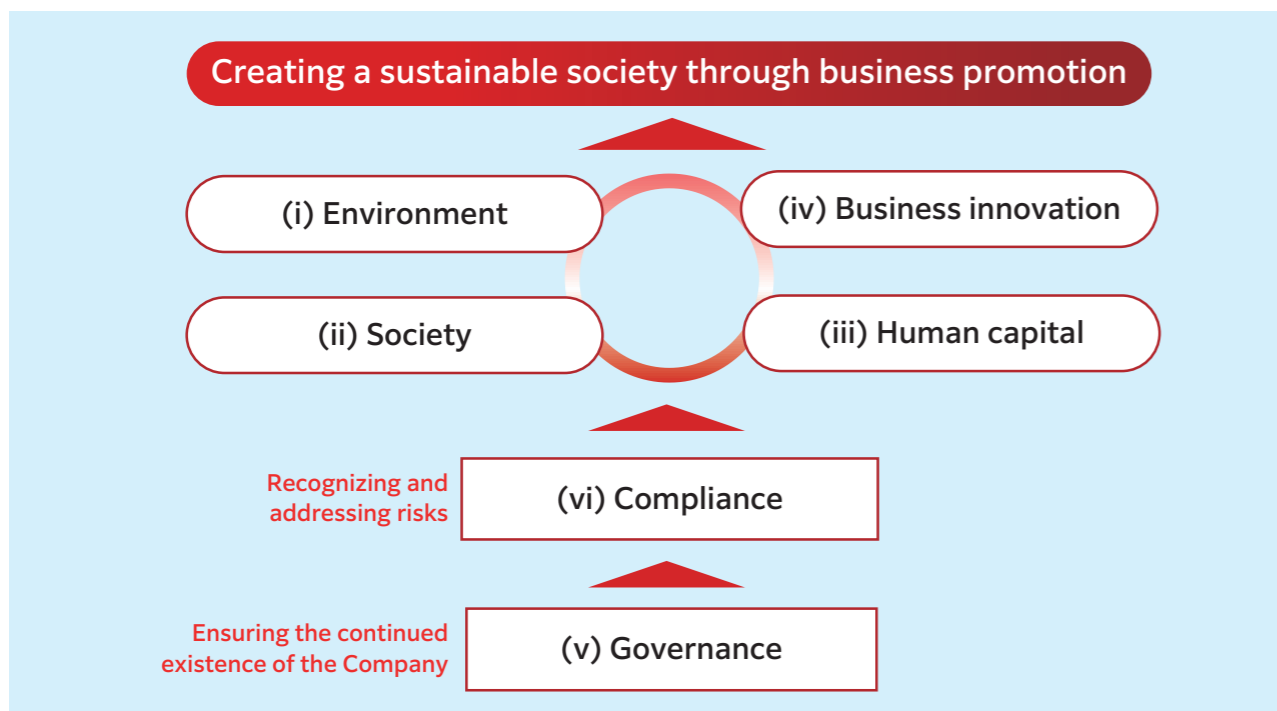
Materiality identification process

In identifying materiality, we comprehensively examine our strengths, areas where our efforts are still insufficient, and issues that society expects and demands to be addressed, based on an analysis of our future environmental outlook, business environment, and other factors. In addition, based on interviews with external parties and resolutions made by the Board of Directors, we have decided to define them as our materiality issues.



Relationship between materialities

Each materiality is interrelated. Governance and compliance serve as the foundation, while other materialities influence each other in the realization of a sustainable society.



Materiality	Overview (examples of initiatives)	SDGs	Details
(i) Environment	Contribution to the formation of a recycling-oriented society	7, 12, 13	Environment PP.31-32
(ii) Society	Customer privacy and data protection Appropriate transaction and sales processes	3, 9, 10, 16	Society P.33
(iii) Human resources	Fostering employee motivation and job satisfaction, education and training system Health and safety of employees	3, 4, 5, 8, 10	Society P.34
(iv) Business innovation	Initiatives and innovations to strengthen competitiveness Value chain management	9, 17	Toward Sustainable Growth P.40
(v) Governance	Expansion of corporate governance system	8, 16	Corporate Governance PP.35-38
(vi) Compliance	Risk management and compliance	8, 16	Risk Management and Compliance PP.39-40

Environment



Automobiles emit large amounts of carbon dioxide at every stage of their life cycle, from production to use. Premium Group aims to contribute to a decarbonized society and create a recycling-oriented society by making effective use of existing resources, supporting the spread of EVs, and reducing energy consumption and GHG emissions by our business operations.

Approach of Premium Group to climate change

Decarbonization concerning GHG emissions from the production of goods is said to be extremely difficult, but a recycling-oriented society is the key to solving this issue.

Premium Group is mainly engaged in businesses related to used cars, and we believe that the expansion of our core business itself will contribute to the formation of a recycling-oriented society. By accelerating efforts in our core business, we also aim to help combat climate change, which is now a global need.

We will continue to recognize the importance of collecting and analyzing necessary data on the impact of climate change-related risks and profit opportunities on our own business activities, earnings, and other factors, and we will further enhance the quality and quantity of our disclosures.

Contribution to the formation of a recycling-oriented society (utilization of limited resources)

Premium Group promotes the use of used cars in the four businesses it operates (Finance business, Automobile Warranty business, Auto Mobility Services business, and Car Premium business) and promotes reduce, recycle, reuse, and repair (4R business) related to automobiles. By continuing to expand our core business in these respects, we will contribute to the formation of a recycling-oriented society.

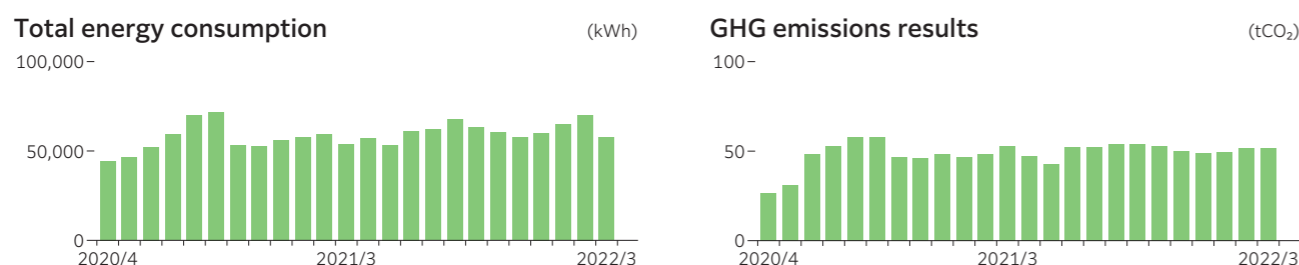
Our 4R business

Reduce business	(Reduce)	Reduce automobile disposal by adding automobile warranties and making automobiles serviceable for a longer period of time
Recycled parts business	(Recycle)	Produce recycled and rebuilt parts at the Group's automobile dismantling shops and provide them to our network of automobile dealers and maintenance facilities through the Group's parts trading company
Reuse business	(Reuse)	Provide salvaged used cars to automobile dealers and maintenance facilities in the network
Repair business	(Repair)	Repair broken-down used cars at own maintenance shop or at a maintenance shop of a network partner

Launched PPA (power purchase agreement) business

By working to install solar power generation systems and EV regular chargers at maintenance facilities in our membership organization, we will reduce CO₂ and provide added value to Car Premier Club members.

Total energy consumption and GHG emissions results



Initiatives of Premium Group

1 Reduction of CO₂ emissions by promoting used cars and recycled and rebuilt parts Emissions reduction

The CO₂ emissions intensity for the production of one new car is 285,000 tCO₂/trillion yen, but there are no CO₂ production emissions for a used car. We will contribute to the reduction of emissions by promoting the use of used cars.



*Reference: "Global Warming Countermeasures in the Auto Manufacturing Industry" by Japan Automobile Manufacturers Association, Inc. and Japan Auto Body Association, Inc.

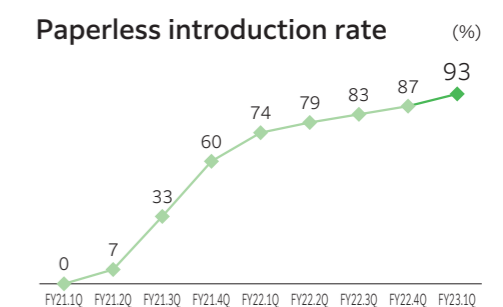
The table below shows the amount of CO₂ emission reductions calculated based on the number of recycled and rebuilt engines and transmissions sold by SAE REMAX, Inc., our subsidiary that operates the recycled parts sales business, in a year. By handling recycled and rebuilt parts instead of producing new parts, we have reduced CO₂ emissions by approximately 1,200 tons over three years, or an average of 400 tons per year.

		FY2018	FY2019	FY2020	FY2021
Used	Engines	65,405	134,897	202,346	292,959
	Transmissions	70,733	100,679	131,657	97,064
Rebuilt	Engines	41,069	85,346	189,302	288,765
	Transmissions	26,525	63,365	107,941	95,784
Total		203,732	384,287	631,245	774,572
Cumulative total			588,018	1,219,264	1,993,836

*Calculated from data published by the Japan Automotive Parts Recyclers Association

2 Reduction of environmental impact through digitalization of business operations Emissions reduction

Promoting paperless credit contracts will enable reduction in the amount of paper used and CO₂ emissions. Gasoline consumption will also be reduced as visiting used car dealers to collect contracts will become unnecessary.



3 Promotion of Automobile Warranty business Recycling-oriented society

An automobile warranty, which provides protection against possible breakdowns, helps customers to use used cars for as long as possible. Customers can enroll not only when purchasing a used car, but also when having the car inspected or maintained. As of March 2022, the cumulative number of vehicles covered by the warranty was more than 1.2 million.

4 Promote the spread of EVs Emissions reduction

We support the purchase of EVs, which are in a higher price range, by offering our Auto Credit to customers when they purchase EVs. In addition, by offering automobile warranties for EVs, we reduce anxiety at the time of purchase and encourage the spread of EVs toward the realization of a decarbonized society.



5 Promote Ecology Credit Emissions reduction

We contribute to the spread of renewable energy through the provision of credits for the purchase of solar power generation systems (for personal and business use).



6 Initiatives of SAINT PARTS Emissions reduction

SAINT PARTS Co., Ltd., a subsidiary that operates an automobile dismantling shop, uses equipment that enables it to check electricity consumption and supply-demand balance in real time and, in accordance with the Act on Recycling, etc. of End-of-Life Vehicles, has installed multiple oil-water separation tanks to remove oil from all wastewater emitted from the plant (the company's own maintenance shop, Car Premium Garage, is also implementing similar initiatives). In addition, through its recycling activities, the subsidiary is appropriately recovering CFCs for automotive refrigerants (waste and hazardous substance management).



7 Initiatives of Car Premium Garage Recycling-oriented society

At our own maintenance shop, FIXMAN (now Premium Garage), located in Sapporo, we use environmentally friendly water-based paints and take waste and hazardous substance management into consideration. In addition, we are rolling out environmentally friendly initiatives at our own maintenance shops to the Car Premium Club, a membership organization of maintenance shops located nationwide.



FIXMAN Sapporo

Society

Premium Group, whose mission is to “contribute to the construction of a prosperous society by providing top level financing and services to the world,” is committed to building social and human capital in order to build good relationships with all of its stakeholders.

Customers

In order to ensure that our customers can purchase and use our automobiles with peace of mind, Premium Group has obtained the necessary certifications and registrations, and has established an internal system.

Customer privacy and data protection

Personal information protection

- Obtained Privacy Mark certification by the Japan Institute for Promotion of Digital Economy and Community (JIPDEC) for core subsidiaries in major businesses
- Formulated an internal privacy policy and built a system to prevent accidents such as leakage of personal information
- Conducted audits by employees of the Internal Audit Division with Privacy Mark internal auditor certification

Data protection

- Implemented multiple system security strengthening measures to ensure the protection of customer data



Appropriate transaction and sales processes

- Obtained and renewed the business registration of the Finance business as an individual credit purchase broker as stipulated in the Installment Sales Act
- Established various internal rules in accordance with the model rules established by the Japan Consumer Credit Association
- Declared internally and externally the policy concerning elimination of antisocial forces and established a system for its implementation, and cooperated with the National Center for Removal of Criminal Organizations, an external professional organization, and other organizations.

Local community

In order to make the world a better place where no one is left behind, Premium Group places great importance on its ties with the local community and engages in a variety of support activities through its business and non-business activities.

Premium’s support activities in the COVID-19 pandemic

- **Distribution of masks: 23 organizations nationwide, over 200,000 masks**
As part of our support activities in response to COVID-19, we distributed non-woven masks to employees, their families, and medical institutions.
- **Donation of medical supplies**
In addition to non-woven masks, we donated medical supplies such as face shields, goggles, protective clothing, and gowns to medical personnel.
- **Support for restaurants through the purchase of boxed lunches**
This was part of a training program for new graduate employees on the theme of solving social problems caused by COVID-19.



Hikaru Sato, Mayor of Chigasaki City (left) and Yohichi Shibata, Representative Director and President of the Company (right)



Support for restaurants that started selling boxed lunches during the COVID-19 pandemic

Achieving both efficiency in sales activities and social contribution

- **Introduction of next-generation telematics in-vehicle equipment**
We introduced next-generation telematics in-vehicle equipment to improve the efficiency of our sales activities and fuel efficiency of our vehicles.
- **“Mirai 2030®,” a Leasing Service for SDGs**
We donate a portion of the lease fees for the in-vehicle equipment to learning support projects.



Human resources

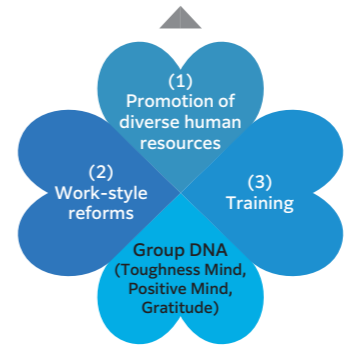
The mission of Premium Group is to foster employees who are broadminded. We believe that it is people who create our business and future, and in our company, we consider people as “assets” and use the term “人財” (Jinzai: human assets) instead of the usual “人材” (Jinzai: human resources). We also believe that no business or company can exist without the well-being of its employees, and we are committed to a variety of initiatives to this end.

Human rights (Corporate Policy on Non-discrimination)

We promote a diverse group of human resources necessary to achieve our mission and realize a sustainable society, regardless of academic background, gender, nationality, or age.

In addition, as a company that promotes well-being, we do not allow any forced labor or child labor.

Foster employees who are broadminded



Pursuing Well-being

Group Code of Conduct (VALUE) “Toughness Mind, Positive Mind, Gratitude”

We have established VALUE, a Code of Conduct, in order to achieve our mission: “We will foster employees who are broadminded, have a positive outlook, and assiduously work their way towards creating results.”

- Toughness Mind** We aim to become an enterprise and employees that have great ambition and can take on any challenges
- Positive Mind** We aim to become an enterprise and employees that can work on things with a positive way of thinking, always exchanging smiles
- Gratitude** We aim to become an enterprise and employees that have altruistic spirits and gratitude

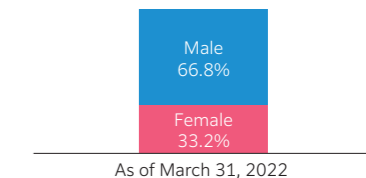
(1) Promotion of diverse human resources

Premium Group positions diversity management as part of its growth strategy.

Appointment of the first female executive officer and increase in the percentage of female managers

Our first female executive officer was appointed in April 2021. The percentage of women in managerial positions overall at our company increased by 3.9 percentage points from the previous year. We will continue to build a work environment in which all employees, regardless of gender, are rewarded for their work and can fulfill their potential.

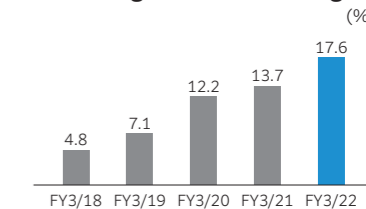
Male-to-female ratio of employees



Actively promote young employees to managerial positions

At our core subsidiary, Premium Co., Ltd., a young employee, with five years of experience since being hired as a new graduate, became the youngest base manager. We have been hiring new graduates since our foundation, and we focus on recruiting and training young employees. By valuing a try-first attitude regardless of age, young employees are taking on the challenge of various tasks.

Percentage of female managers (%)



As part of our efforts to promote diversity in human resources, we actively recruit not only new graduates, but also year-round and mid-career employees. By hiring a wide range of human resources, people with various experiences stimulate each other and develop human resources who take on the challenge of aiming for higher levels. We will also create an environment in which young people can reach their potential regardless of gender, nationality, age, or experience, and we will create a culture in which anyone can aspire to managerial positions, by promoting young people to managerial positions. We have also introduced a flex-time system and teleworking positions. By providing flexibility in work styles through the introduction of these systems, we will be able to promote the careers of women, mainly those in their thirties and beyond, with the aim of further advancing their careers and promoting them to managerial positions.

<Executive Officer Kumi Kondo>



(2) Work-style reforms

We promote the development of various work styles so that diverse human resources can play an active role and all can demonstrate their abilities in a fair manner.

Example of implementation

- Reduction of single employee transfers • Promotion of the use of paid leave • Paid leave in hourly increments • Flex-time work • Telework
- Satellite office work • DX promotion • Improvement of work environment • Personnel evaluation system • Implementation of business contests
- Rehiring system for retirees

(3) Training

In order to foster employees who are broadminded to create a new society, we have actively provided a wide range of training programs as well as on-the-job training since our establishment. In order to further enhance our training system, we established a training company, VALUE Corporation, and brought human resource training in-house. In addition, by owning our own training facilities, we are now able to provide training that avoids close contact.

We also provide training outside the Group, contributing to society through human resource development.

Corporate Governance



Basic approach to corporate governance

Based on the premise of thorough compliance, in line with changes to the external business environment including revisions to laws, the Group upholds its missions to “contribute to the construction of a prosperous society by providing top level financing and services to the world” and to “foster employees who are broadminded, have a positive outlook, and assiduously work their way towards creating results,” and is determined to make every management decision based on these missions. In order to achieve our missions, it is essential that we build good relationships with all stakeholders, including shareholders, customers, business partners, employees, and society, and it is indispensable to earn their trust. To that end, we recognize that the enhancement of corporate governance is one of our most important management issues, and strive for corporate management that ensures transparency and soundness, while doing our utmost to ensure the continuous growth and improvement of the profitability of the Group.

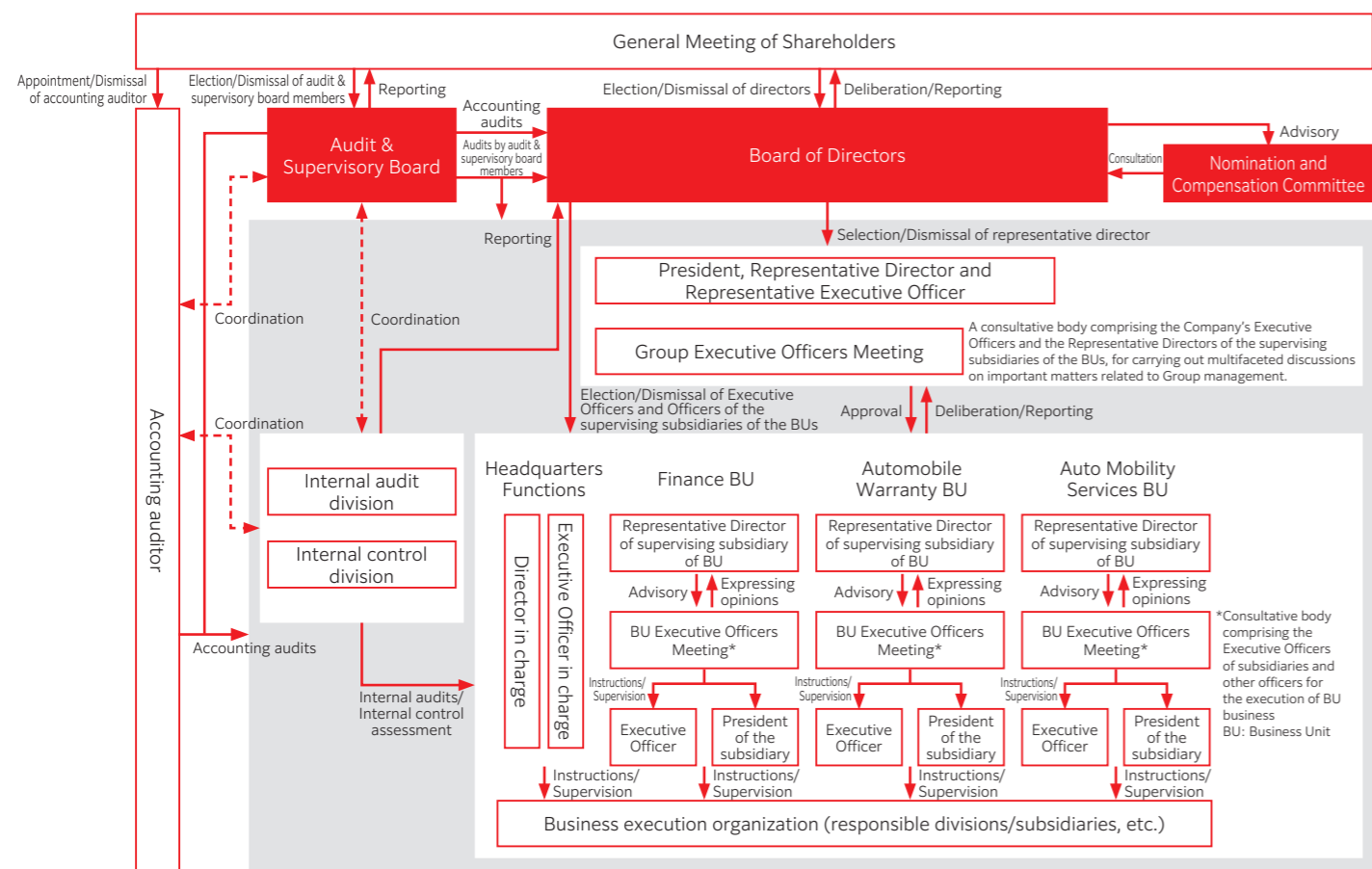
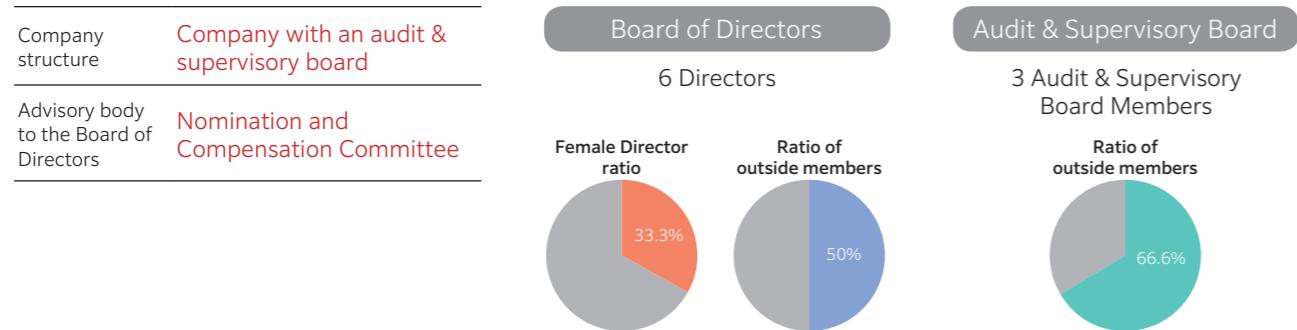
The Company implements each principle of the Corporate Governance Code.

<https://ir.premium-group.co.jp/ja/management/governance/main/0/teaserItems1/04/link/CGC1213.pdf>

(in Japanese only)



Corporate governance system



Fiscal year ended March 31, 2022: Held 18 times

Attendance rate of Outside Directors: 100% /
Attendance rate of Directors excluding Outside Directors: 100% /
Attendance rate of Audit & Supervisory Board Members: 100%

Board of Directors

The Board of Directors holds regular meetings once per month, in principle, as well as extraordinary meetings as needed, for board members to communicate with each other. The members of the Board of Directors, including Outside Directors, supervise the Representative Director's execution of operations and prevent violations of laws and regulations or the Articles of Incorporation. Three Audit & Supervisory Board Members also attend the meetings of the Board of Directors. The Board of Directors discusses and resolves important management matters (e.g., Medium-Term Management Plans and investment and capital policies), in addition to resolving individual agenda items, based on the Company's approval standards.

Fiscal year ended March 31, 2022: Held 5 times

All committee members attended all meetings

Nomination and Compensation Committee

The Nomination and Compensation Committee has been established as an advisory body to the Board of Directors, in order to raise the fairness, transparency, and objectivity of procedures relating to the nomination and compensation of Directors, and to enhance corporate governance. In the fiscal year ended March 31, 2022, the Nomination and Compensation Committee discussed the succession plan for the CEO, a matter for consultation by the Board of Directors, considered the policy and procedures for the nomination of senior management (Executive Officers), and deliberated and made recommendations to the Board of Directors on the proposals submitted to the Ordinary General Meeting of Shareholders held in June 2022, including the proposal for the election of Directors (including the skill matrix), and the proposal to amend the remuneration framework (revision of the total amount of remuneration to Directors and the remuneration framework within the remuneration plan to grant restricted stock) and the individual remuneration of Directors (excluding Outside Directors).

Group Executive Officers Meeting

Chairman: Representative Director of the Company / Held once per month /
One full-time Audit & Supervisory Board Member attends

To expedite and promote efficiency in the decision-making by the Board of Directors, the Company has adopted the executive officer system and established the Group Executive Officers Meeting, as an organ that discusses important matters related to business execution from multiple perspectives. The Group Executive Officers Meeting primarily comprises the Company's Executive Officers, with the Representative Directors of the supervising subsidiaries of the business units attending as observers. It effectively functions as an advisory body to the Representative Directors when decisions are made on important matters, as well as a body for Executive Officers to share information and discuss issues.

Audit & Supervisory Board

Held once per month, in conjunction with the Board of Directors meetings

The Audit & Supervisory Board determines audit policies and audit plans. It receives reports from each Audit & Supervisory Board Member regarding important matters related to audits, and discusses and adopts resolutions. The Audit & Supervisory Board conducts operation audits of the Directors' performance of their duties and the Executive Officers' execution of business operations, accounting audits, and audits of the corporate group for group companies, under the Audit & Supervisory Board Members' Audit Standards and audit plans. It also audits the appropriateness of audits by the accounting auditor, an independent auditor, and reports the results of its audits to the Board of Directors. The audit policy, major audit items, and the annual audit plan approved by the Audit & Supervisory Board are also reported to the Board of Directors.

Implementation of the effectiveness evaluation of the Board of Directors

The Company regularly evaluates and analyzes the effectiveness of the Board of Directors as a whole, in accordance with the Regulations Concerning the Evaluation of the Board of Directors.










- Evaluation and analysis
- Respondents answered individual questions on six major items, using a five-point scale and a free-response questionnaire format.
- A Matters concerning the size and composition of the Board of Directors
 - B Matters concerning the agenda items for the Board of Directors
 - C Matters concerning cooperation with the Nomination and Compensation Committee
 - D Matters concerning the system supporting the Board of Directors
 - E Matters related to the operation of the Board of Directors
 - F Matters related to the Nomination and Compensation Committee

Issues identified in the effectiveness evaluation of the Board of Directors as a whole, and countermeasures

Issues requiring improvement	Initiatives in the fiscal year ended March 31, 2022
Discussion on the overall direction to be targeted, including medium- to long-term corporate strategies and the re-allocation of management resources	<ul style="list-style-type: none"> • Provided opportunities for discussions in preparation for formulation of the next Medium-Term Management Plan • Held advance briefings for the deliberation of new businesses, including M&As
Early sending of documents to be submitted to the Board of Directors	<ul style="list-style-type: none"> • Clarified the schedule for sending documents for each Board of Directors meeting • Recorded and reported the results
Discussions based on the deliberation results of the Nomination and Compensation Committee	<ul style="list-style-type: none"> • Established a separate timeslot for discussions at the Board of Directors meetings • Deliberated the necessary skills based on future corporate strategies, and selected candidates
Discussions on the ideal Board of Directors	<ul style="list-style-type: none"> • Provided opportunities to discuss the expected role of internal Directors • Deliberated the delegation of authority to Executive Committee Meetings, etc. • Deliberated the holding of meetings by attending the actual venue

Corporate Governance

Directors and Audit & Supervisory Board Members (As of July, 1, 2022)

Name	Position and responsibilities, Positions held concurrently	Reason for appointment	Attribute		Years of service	Skill matrix										
			Outside	Independent Officer		Corporate Management	Industry Familiarity	Sales and Marketing	Global	Finance and Accounting	Legal and Compliance	Internal Control and Governance	IT and Systems	M&A	Major Qualifications	
 Yohichi Shibata	Representative Director, President and Representative Executive Officer • Representative Director, President and Representative Executive Officer of Premium Co., Ltd. • President and Representative Director of Premium Mobility Services Co., Ltd. • President and Representative Director of Car Premium Co., Ltd.	Mr. Yohichi Shibata, the founder of the Group, possesses extensive experience and valuable knowledge as a business manager, and has led the businesses and management of the Group overall, along with contributing to the further development of the Group through various measures in the medium-term management plan. In addition, he has taken the initiative in strengthening the governance system, by increasing the number of Outside Directors and making the shift to a company with an audit & supervisory board. The Company therefore judged that he is well-qualified to serve as Director of the Company, and appointed him as a Director.			5 years and 11 months	○	○	○	○							
 Tomohiro Kanazawa	Director and Managing Executive Officer • Audit & Supervisory Board Member of Premium Co., Ltd. • Audit & Supervisory Board Member of Premium Mobility Services Co., Ltd. • Director of Premium Warranty Services Co., Ltd. • Audit & Supervisory Board Member of Car Premium Co., Ltd.	Mr. Tomohiro Kanazawa possesses extensive experience and valuable knowledge of the corporate departments (finance and accounting, financing, M&A, new businesses, legal affairs, compliance, etc.), and has adequately played his role in determining important management matters of the Company and supervising the execution of business as a Director. The Company therefore judged that he is well-qualified to serve as Director of the Company, and appointed him as a Director.			1 year		○			○	○	○		○		
 Toru Onuki	Director and Managing Executive Officer • Representative Director, Senior Managing Executive Officer of Premium Co., Ltd. • Director of Premium Warranty Services Co., Ltd. • President and Representative Director of Premium System Services Co., Ltd.	Mr. Toru Onuki possesses extensive experience and valuable knowledge of the corporate departments (legal affairs, compliance, personnel, system, etc.), planning departments (management strategy, sales planning, etc.), Finance business (credit, debt collection, etc.), and overall Automobile Warranty business, and has adequately played his role in determining important management matters of the Company and supervising the execution of business as a Director. The Company therefore judged that he is well-qualified to serve as Director of the Company, and appointed him as a Director.			5 years		○				○	○	○			
 Tsuguhiko Nakagawa	Outside Director • Director of Synchro Food Co., Ltd.	Mr. Tsuguhiko Nakagawa possesses extensive experience and valuable knowledge as a result of having been involved in business and management for many years at Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.), and has adequately played his role as an Outside Director in determining important management matters of the Company and supervising the execution of business. In addition, he has been involved in, and is adequately carrying out his duties regarding the selection of candidates for officers of the Company and decisions on officers' remuneration, etc. from an objective and neutral standpoint, as a member of the Nomination and Compensation Committee. The Company therefore judged that he is well-qualified to serve as Outside Director of the Company, and appointed him as an Outside Director.	●	●	5 years	○	○	○								
 Yuka Horikoshi	Outside Director • Partner of Chuo Sogo Law Office, P.C. • Non-Executive Director of Regional Economy Vitalization Corporation of Japan • Outside Director of WealthPark Co., Ltd.	Ms. Yuka Horikoshi possesses extensive experience and professional knowledge relating to legal affairs that she has cultivated through her duties as an attorney, and has adequately played her role as an Outside Director in determining important management matters of the Company and supervising the execution of business. In addition, she has been involved and adequately carrying out her duties in the selection of candidates for officers of the Company and decisions on officers' remuneration, etc. from an objective and neutral standpoint as a member of the Nomination and Compensation Committee. The Company therefore judged that she is well-qualified to serve as Outside Director of the Company, and appointed her as an Outside Director.	●	●	3 years		○				○	○				Attorney at Law
 Hiromi Oshima	Outside Director • General Manager of Strategy Planning Division and Policy Planning Department of Panasonic Connect Co., Ltd.	Ms. Hiromi Oshima possesses professional knowledge relating to finance, which she has cultivated through her duties as a certified public accountant, as well as insight relating to public relations, IR, M&A, new business development and more that she has acquired at Panasonic Corporation (currently Panasonic Holdings Corporation), and has adequately played her role as an Outside Director in determining important management matters of the Company and supervising the execution of business. The Company therefore judged that she is well-qualified to serve as Outside Director of the Company, and appointed her as an Outside Director.	●	●	2 years				○	○				○		Certified Public Accountant (CPA)
 Toshihiro Kametsu	Full-time Audit & Supervisory Board Member	Mr. Toshihiro Kametsu possesses extensive experience and valuable knowledge of finance and accounting and overall finance business, and has played his role from an independent standpoint in auditing the management, in relation to the execution of duties of the Directors. The Company therefore judged that he is well-qualified to help the Company further strengthen the management system and enhance compliance and corporate governance, and appointed him as an Audit & Supervisory Board Member.			5 years and 11 months			○						○		
 Setsuo Higuchi	Outside Audit & Supervisory Board Member • Director of Setsuo Higuchi Certified Public Accountant Office • Outside Audit & Supervisory Board Member of SOCIALWIRE CO., LTD.	Mr. Setsuo Higuchi possesses professional knowledge and extensive experience relating to finance, accounting, and internal control that he has cultivated through his duties as a certified public accountant, and has adequately played his role as an Outside Audit & Supervisory Board Member in auditing the execution of duties of the Directors. The Company therefore judged that he is well-qualified to help the Company further strengthen the management system and enhance compliance and corporate governance, and appointed him as an Outside Audit & Supervisory Board Member.	●	●	5 years						○	○				Certified Public Accountant (CPA)
 Toshikazu Moriwaki	Outside Audit & Supervisory Board Member	Mr. Toshikazu Moriwaki possesses extensive experience and valuable knowledge that he has cultivated through his many years of engagement in finance business at financial institutions, and has adequately played his role as an Outside Audit & Supervisory Board Member in auditing the execution of duties of the Directors. The Company therefore judged that he is well-qualified to help the Company further strengthen the management system and enhance compliance and corporate governance, and appointed him as an Outside Audit & Supervisory Board Member.	●	●	5 years	○	○				○					



Risk Management

Regulations and other systems for managing the risk of loss of the Group

a. To identify the risks that may prevent the Group from achieving its management objectives, and to adequately assess and manage those risks, we appoint a Risk Management Officer and establish a Risk Management Committee by a resolution of the Board of Directors, and work actively to mitigate risks and prevent the risk of losses under the Risk Management Regulations.

Risk Management Committee

Chairman: Tomohiro Kanazawa,

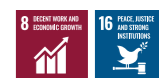
Committee member: Toru Onuki, Yoshiyuki Tsuchiya, Kunio Saito, Hiroomi Yamamura, Kumi Kondo

b. If the risks mentioned in the previous paragraph become apparent, the Corporate Management Department determines the policy for a crisis response, investigates the facts, deals with the crisis, and formulates and implements measures to prevent its recurrence. In addition, if a particularly serious risk becomes apparent, the Representative Director and President establishes a taskforce, and a system is established to promptly deal with the risk by obtaining advice from outside experts including attorneys at law, and to minimize the deterioration of the situation and the expansion of losses.

Business risks

	Details of risks	Countermeasures
Risks associated with the economic environment	<ul style="list-style-type: none"> Changes in the economic environment and tax reforms, deterioration of the employment situation Spread of viral infections 	<ul style="list-style-type: none"> Formulate and implement strategies that align with the economic environment Promote non-contact sales activities in line with government policies during pandemics
Risk of large-scale natural disasters	<ul style="list-style-type: none"> Large-scale natural disasters 	<ul style="list-style-type: none"> Formulate regulations related to the business continuity system and the business continuity plan (BCP), and carry out education and training
System risk	<ul style="list-style-type: none"> Cyberattacks, etc. 	<ul style="list-style-type: none"> Strengthen system security and maintain stable operations Promote system redundancy, duplication of data centers, and the use of multiple telecommunication network carriers
Regulatory risk	<ul style="list-style-type: none"> Changes in laws, regulations, policies, and current practices, etc. 	<ul style="list-style-type: none"> Carry out business registration under various laws and regulations along with renewal of registration, as needed Closely monitor changes to laws and regulations with partner attorneys at law
Funding risk	<ul style="list-style-type: none"> Difficulty in continuing fund procurement due to poor business performance Deterioration in creditworthiness and confusion in the financial markets 	<ul style="list-style-type: none"> Strive to improve our business performance A Board of Directors, with Outside Directors comprising the majority and female Directors comprising 1/3 of all Directors Regularly carry out evaluation and analysis of the effectiveness of the Board of Directors, as a whole Appropriate financial management and establishment of a strong financial structure
Compliance risk	<ul style="list-style-type: none"> Serious scandals caused by compliance violations, etc. 	<ul style="list-style-type: none"> Establish the Compliance Regulations and a compliance promotion system Carry out various types of training based on the Code of Conduct
Personal information risk	<ul style="list-style-type: none"> Occurrence of a leakage, loss, or unauthorized use of personal information 	<ul style="list-style-type: none"> Acquire the Privacy Mark certification Establish a policy for protecting personal information (Privacy Policy), and set up a system to prevent accidents Strengthen network security, confirm and assess subcontractors that handle personal information, carry out employee education, and conduct audits by employees of the Company who have been certified as Privacy Mark internal auditors
Human resources risks	<ul style="list-style-type: none"> Inability to recruit, retain, and educate competent human resources 	<ul style="list-style-type: none"> Continuously improve the labor environment
Risk of intensified market competition	<ul style="list-style-type: none"> Competition intensifies, and profitability and market share diminish due to a decrease in the number of used cars sold 	<ul style="list-style-type: none"> Closely monitor the market environment, capture the developments of competitors, and formulate and implement appropriate strategies Establish a competitive advantage and differentiation from other companies
Reputation risk	<ul style="list-style-type: none"> Damage to the reputation, and loss of credibility of the Company due to various reasons such as law violations, fraud by employees, system malfunctions, etc. 	<ul style="list-style-type: none"> Undertake various types of training and system management to prevent law violations, fraud by employees, system malfunctions, etc., before they materialize Proactively provide fair, accurate, timely, and straightforward information to ensure appropriate disclosure and transparency
Risks associated with goodwill and intangible assets	<ul style="list-style-type: none"> Reporting of impairment losses 	<ul style="list-style-type: none"> Goodwill is a non-depreciable asset, and thus there will be no regular depreciation each term
Risks associated with credit and insurance contracts	<ul style="list-style-type: none"> Economic trends and increase in individual bankruptcy petitions Incurring bad-debt loss that exceeds the limit of insurance payout Increase in insurance premiums due to an increase in bad-debt loss, and inability to continue insurance contracts due to revision of the Insurance Business Act, changes in the stance of non-life insurance companies, and other factors 	<ul style="list-style-type: none"> Appropriate credit management Prevent the occurrence of bad-debt loss through DX measures and cooperation between Group companies
Risks associated with repair costs	<ul style="list-style-type: none"> Increases in repair costs 	<ul style="list-style-type: none"> Appropriate product setup by utilizing big data Carry out original cost reduction measures
Risks associated with new businesses	<ul style="list-style-type: none"> Cases in which new businesses cannot realize business plans, and sufficient profit cannot be reported in the future 	<ul style="list-style-type: none"> Set appropriate KPIs in line with the business plan, and prepare a road map
Risks associated with overseas businesses	<ul style="list-style-type: none"> Changes to the tax system and establishment, revision, or repeal of laws and regulations, such as restrictions on foreign capital Occurrence of economic or political incidents and social turmoil caused by terrorism, disputes, pandemics, etc. Drastic changes in the labor environment 	<ul style="list-style-type: none"> Understand the local situation through close communication between local representatives and the headquarters department Business development that prioritizes the safety of local employees

Compliance



Regarding compliance

The Group considers compliance as an important management issue, and has established the Compliance Regulations and built a system for promoting compliance, while conducting various training programs to encourage voluntary actions based on the Code of Conduct, and making efforts to improve corporate ethics and strengthen compliance with laws and regulations. However, in the event that compliance problems such as a serious scandal due to compliance violations occur, the Group's operating results and financial position may be affected due to dispositions by the regulatory authorities, as well as a loss of social credibility.

Various training Compliance training / Insider trading prevention training / Personal information protection training

Eliminating relationships with antisocial forces

In order to prevent damage from antisocial forces, we have declared our policy concerning elimination of antisocial forces both internally and externally, established an in-house system for actualizing that basic policy (designating a department for managing the response to antisocial forces, and managing and accumulating information on antisocial forces in a unified manner), and report the results to the management. Furthermore, we cooperate with the National Center for Removal of Criminal Organizations, an external professional organization, and other organizations.

Toward Sustainable Growth



Initiatives and innovation to strengthen competitiveness

To further strengthen our competitiveness, we will promote DX, which is our most important initiative, from the following 3 angles.

(1) Innovation through changes in business processes

We will thoroughly improve the efficiency of our business processes by introducing AI, RPA, and other innovations. Going forward, even if our business size expands and the business volume increases, we will reduce the burden on our employees without increasing the headcount.

(2) Improvement of the management efficiency of car dealers and maintenance facilities that are our business partners

We will further increase our share by providing major benefits to our business partners.

(3) Creation of a new business model through innovation driven by DX

We will create a new business model as the automobile industry face a drastic, once-in-a-century change where evolution of the automobile itself is taking place, such as CASE and MaaS, alongside significant changes in the way automobiles are owned and used, and in the infrastructure.

Value chain management

By becoming a platform provider associated with used cars, we will establish a value chain that connects the end-users, dealers and maintenance facilities, and the Group, which provides various services.

By providing services, the Group will support the management of dealers and maintenance facilities, and also provide advice to ensure that high-quality services are supplied to the end-users. End-users will be able to enjoy the convenience of receiving one-stop, high-quality services.

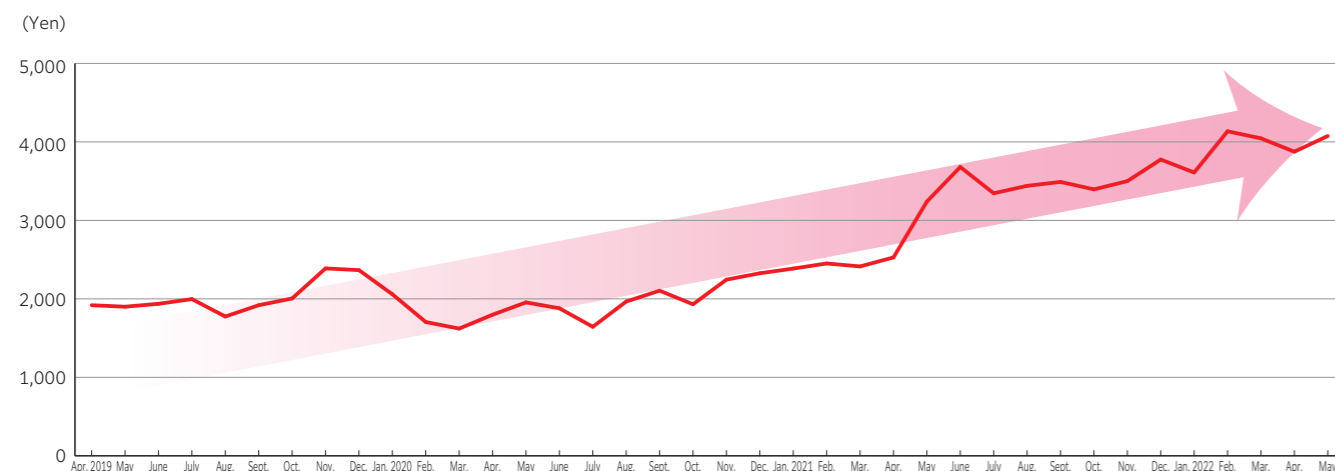
The promotion of DX mentioned above is also a crucial measure for enhancing the value of this value chain.

Key Financial and Non-financial Data

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22
Consolidated Financial Results (Millions of yen)					
Operating income	9,065	10,759	14,016	17,825	20,827
Operating expense	7,440	10,001	12,458	14,891	16,992
Profit before tax	1,979	2,097	2,604	3,463	4,017
Profit	1,293	1,391	1,452	2,393	2,964
Profit attributable to owners of parent	1,293	1,388	1,466	2,383	2,941
Comprehensive income	1,335	1,431	1,381	2,447	3,010
Basic earnings per share	107.44	113.08	112.33	186.74	229.39
Total assets	35,932	43,540	58,203	68,156	81,800
Total equity	5,716	5,529	5,312	7,291	9,814
Cash flow from operating activities	1,043	(1,015)	(1,246)	1,321	1,608
Cash flow from investing activities	(852)	(706)	(1,618)	(1,172)	(1,028)
Cash flow from financing activities	1,790	1,563	2,967	1,617	2,797
ROE (%)	25.9	24.8	27.4	38.3	34.8
ROA (%)	6.0	5.3	5.1	5.5	5.4
Equity capital ratio (%)	15.89	12.55	9.01	10.58	11.87
Annual dividend (Yen)*	42.5	42.5	44.0	46.0	51.0
KPI					
Total volume of new loans (Billions of yen)	110.3	135.2	177.4	166.4	202.3
Loans receivable (Billions of yen)	205.6	250.7	321.3	361.4	422.3
Delinquency rate (%)	0.84	0.84	0.86	0.91	0.78
Number of network stores (Company)	18,440	20,417	22,549	23,907	25,603
Total volume of new warranties (Billions of yen)	2.50	3.00	4.36	4.50	5.15
Car Premium Dealer memberships (Company)	-	-	-	370	1,525
Car Premium Garage memberships (Store)	-	-	-	-	399
Non-financial					
Number of employees (Person)	324	386	482	593	644
Percentage of female managers (%)	4.8	7.1	12.2	13.7	17.6
Average age (Years old)	37.1	36.5	36.4	35.1	36.9
Average years of service (Years)	5.3	5.4	5.8	6.2	6.2

*The dividend amounts up to March 31, 2019, have been retroactively adjusted to reflect the two-for-one stock split conducted on April 1, 2019.

Stock price trend



Company Profile

As of June 30, 2022

Company name	Premium Group Kabushiki Kaisha	Listed stock exchange	Prime Market of Tokyo Stock Exchange
Company name in English	Premium Group Co., Ltd.	Main bank	Aozora Bank, Ltd.
Head office	19th Floor, The Okura Prestige Tower, 2-10-4, Toranomom, Minato-ku, Tokyo 105-0001	Administrator of shareholder registry	Sumitomo Mitsui Trust Bank, Limited
Established	July 2007	Accounting auditor	PricewaterhouseCoopers Aarata LLC
Capital and capital reserve	1,668 million yen	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Go! Premium Group's IR website URL: https://ir.premium-group.co.jp/en/index.html </div>	
Number of employees	644 (consolidated basis)		

Stock Information *As of March 31, 2022

Number of authorized shares	48,000,000 shares
Number of issued shares	13,394,990 shares
Number of shareholders	3,941

Major shareholders (Top 10)

Name of shareholder	Shares held (share)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,549,700	19.82
Custody Bank of Japan, Ltd. (Trust Account)	1,902,400	14.79
Recruit Co., Ltd.	600,000	4.66
STATE STREET BANK AND TRUST COMPANY 505303	426,200	3.31
STATE STREET BANK AND TRUST COMPANY 505019	323,500	2.51
GOVERNMENT OF NORWAY	294,400	2.29
Aozora Bank, Ltd.	258,600	2.01
Sompo Japan Insurance Inc.	258,600	2.01
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	233,900	1.82
Yohichi Shibata	230,956	1.80

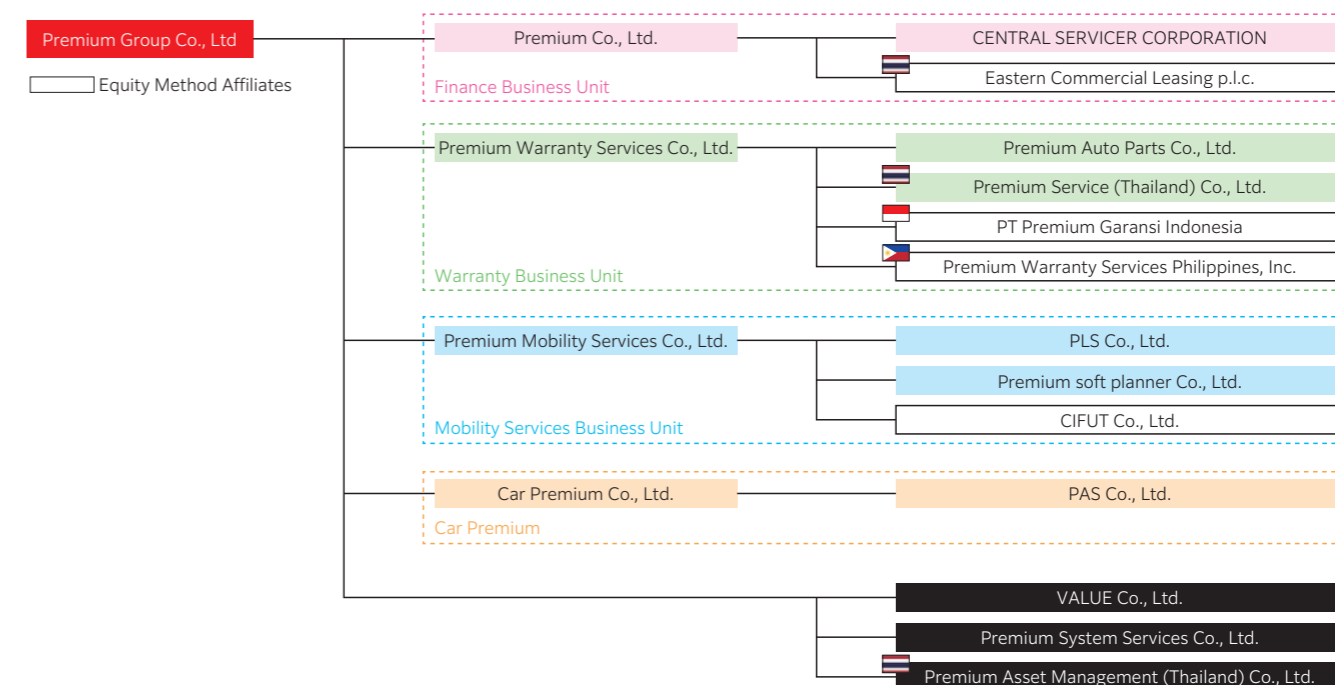
Classification of shareholders

Individuals and others	3,634,760 shares	27.1%
Financial institutions	5,573,800 shares	41.6%
Financial services providers	281,715 shares	2.1%
Other domestic corporations	665,308 shares	5.0%
Foreign corporations, etc.	3,239,407 shares	24.2%

*The number of shares held under own name, excluding fractional shares, is included in "Individuals and others."

*Treasury shares (528,885 shares) are not included in the above.
*The shareholding ratio is calculated by excluding treasury shares.
*The shareholding ratio is rounded to the second decimal place.

Group Companies *As of June 30, 2022





Premium Group Co., Ltd

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2-10-4, Toranomom, Minato-ku, Tokyo 105-0001
<https://www.premium-group.co.jp/en/>