



【Premium Group (TSE:7199)】
Company Information Material

“Offering premium finance and service to the world”

Agenda

- | | |
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| (Mid-Term Management Plan • ESG • SDGs) | |
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1. Overview of Premium Group



Overview of Premium Group^①

1 What we do

Premium Group offers **Combined Mobility Services**.

2 Main business

Finance Business

Auto credit

*Others : Shopping credit, debt collection etc.

Automobile Warranty business

Warranty for car breakdown (for used cars)

*Others : Overseas warranty business etc.

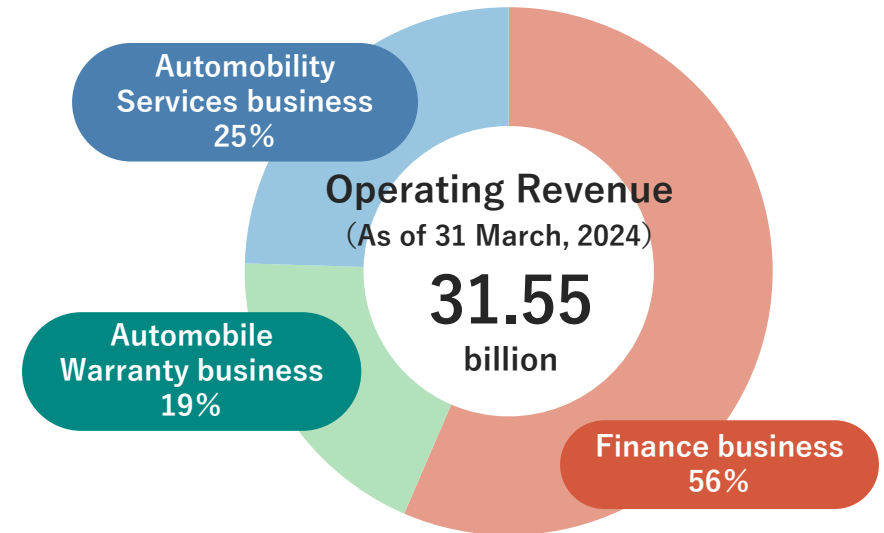
Automobility Services business

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

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

3 Operating Revenue Composition *As of 31 March, 2024

By establishing the Car Premium business model,
expand the Finance business, Automobile warranty business
and Automobility Services business
to create the only used car domain in Japan and
become **the “ONE & ONLY automobility company**



Overview of Premium Group ②

4 Market Environment

Located in a **huge, stable, and oligopolistic market** environment, enabling us to take on new business challenges based on a **stable foundation**.

Huge Market

The scale of automobile business market is
Approx. **JPY 21 trillion**

Stable Demand

Used cars are **necessity of life**. Mature Market,
but demand shows stable growth

Oligopolistic Market

Only 3 listed auto loan companies in the market
Our share is approx. **13%**

Details on p.10

※詳細はP.16

5 Strength

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

Stand-alone financing company

*Finance, Automobile Warranty, Auto Mobility Services

Offering **various services** not bound by the Banking
Business Act

Warranty industry leader

*Automobile Warranty

Developing **automobile warranty market** by
exploring latent need

Recurring revenue business model

*Finance, Automobile Warranty

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

6 Risks and Countermeasures

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

Finance business

- ✓ **Delinquency, Default**
Risk hedge with insurance in case of default
- ✓ **Fundraising**
Approx. 90% of receivables are financed by banks.
We are responsible only for the guarantee.

Automobile Warranty business

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

Automobility Services business

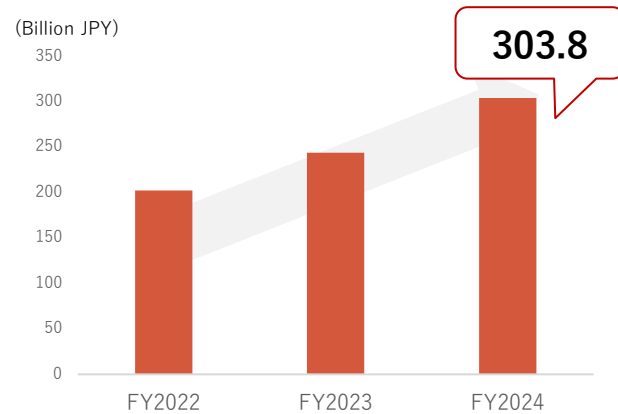
- ✓ **Sales of collected delinquent debt vehicles**
Supplied by finance business unit
- ✓ **To cope with weakening of SMEs in the automotive market**
Organizing multiple SMEs to compete major automotive companies

Overview of Premium Group ③

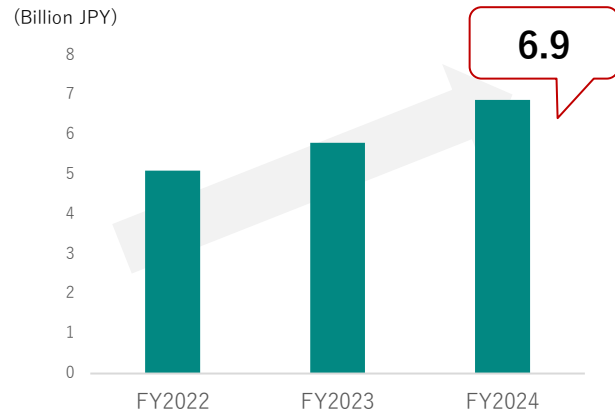
7 KPI · Business Performance

Continued steady growth in all indicators. Further growth is expected in the mid- to long-term.

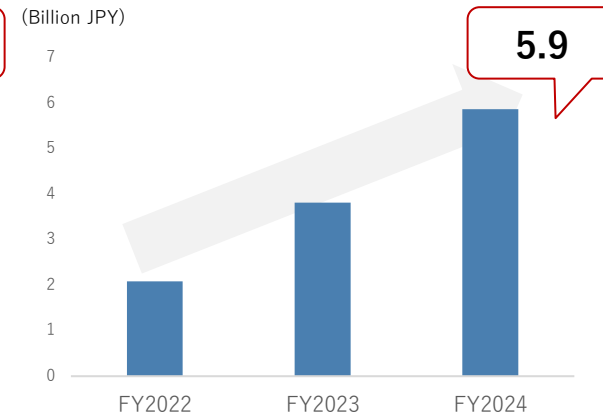
Total volume of new loans



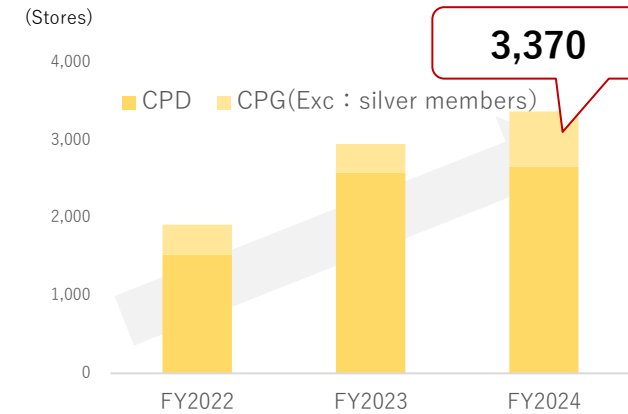
Total volume of automotive warranties



Operating income of auto mobility service

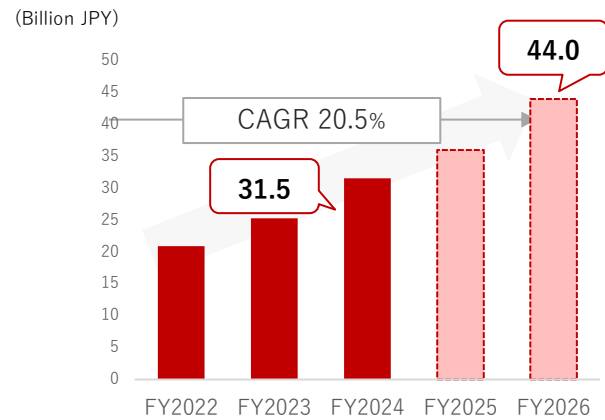


The Number of Car Premium Club memberships

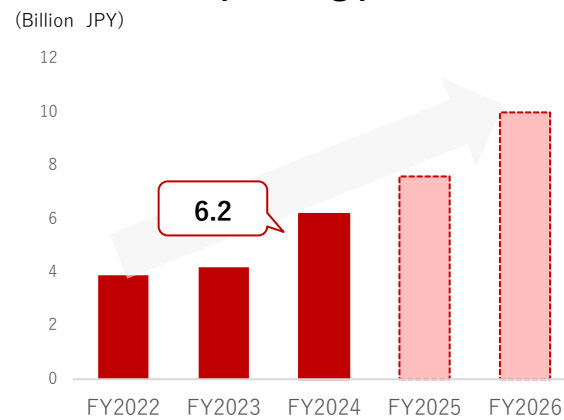


*Due to the implementation of the membership fee price revision in Oct 2023, some CPD Gold members are withdrawing their membership.

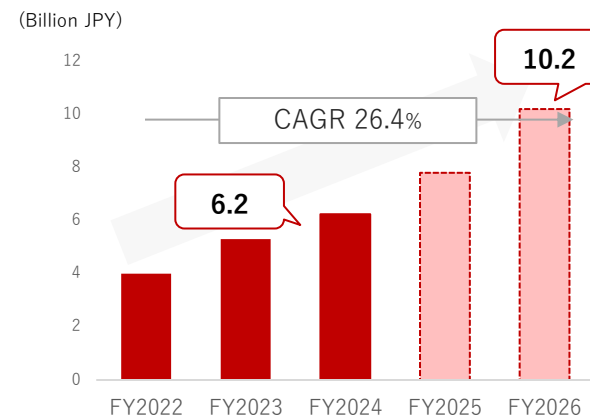
Operating revenue



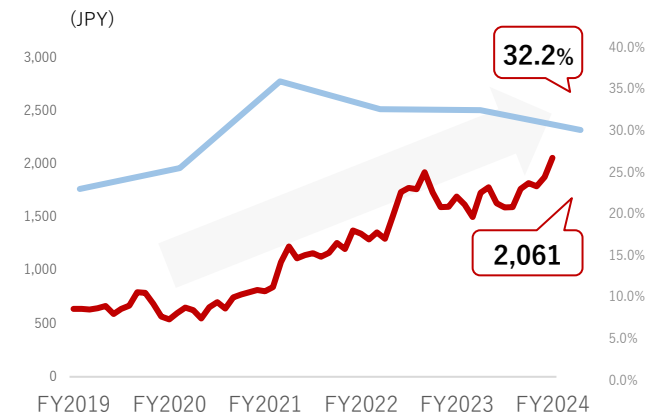
Operating profit



Profit before tax



Stock price/ROE



Note: Due to a change in accounting policy, a portion of operating revenues has been reclassified in the fiscal year ended March 31, 2023.

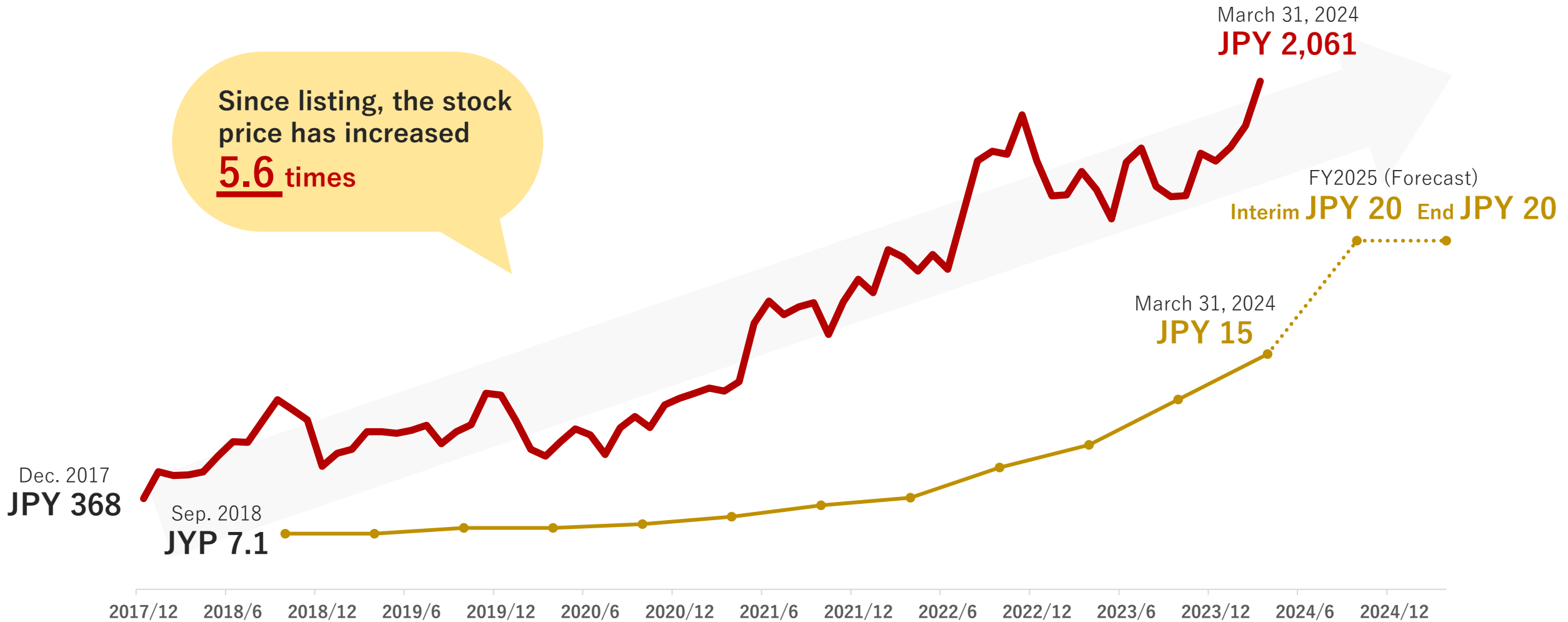
Gain on revaluation of insurance assets due to a change in accounting estimate (19/3-20/3) and gain on negative goodwill (21/3) are not included in operating income as non-recurring items. © Premium Group All Rights Reserved.

Overview of Premium Group ④

(based on closing price)

8 Company Stock Price and Dividends

Since listing, the stock price has increased **5.6 times**



2. Company Information



Group organization with more than 20 companies in Japan and overseas

- Centered on three business units, we are developing our business in a group structure of more than 20 companies in Japan and overseas.

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



Yohichi Shibata
President and CEO

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

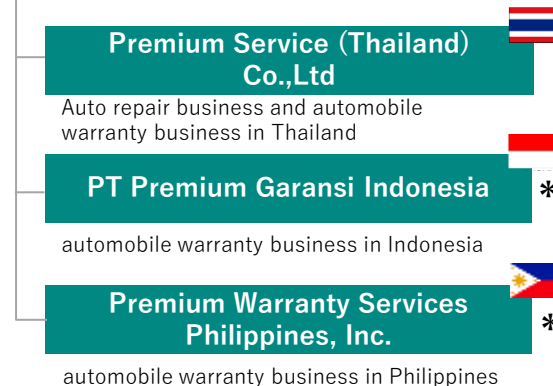
Premium Group Co., Ltd.



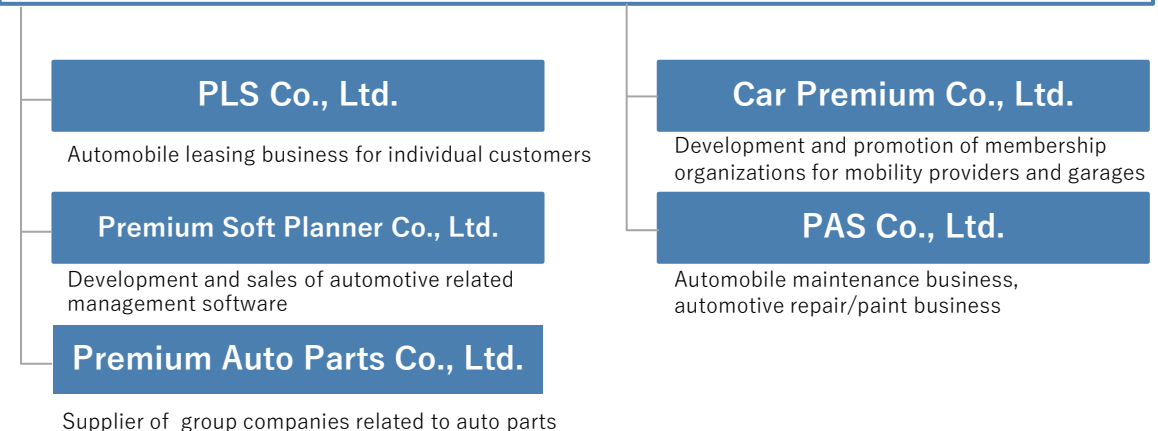
Finance business Unit



Automobile Warranty business Unit



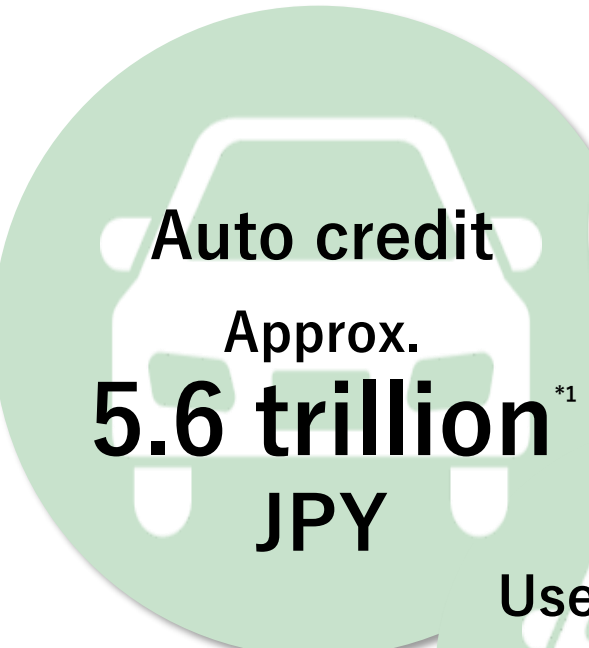
Auto Mobility Services business unit



Note: "*" = Equity Method Affiliates

Market size and our business area

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



Auto credit
Approx.
5.6 trillion
JPY^{*1}

Car dealer



More than ^{*2}
30,000

Garage



More than ^{*2}
92,000




Maintenance and
repairing
Approx. ^{*2}
5.9 trillion
JPY



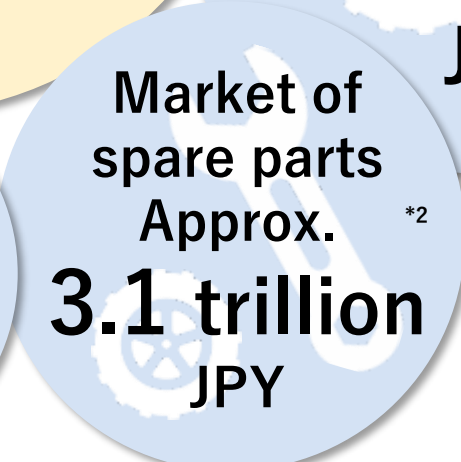
Used car sales
Approx.
4.2 trillion
JPY^{*2}



Automobile
leasing
Approx. ^{*2}
2.5 trillion
JPY



Garage workers
Approx. ^{*2}
330,000



Market of
spare parts
Approx. ^{*2}
3.1 trillion
JPY

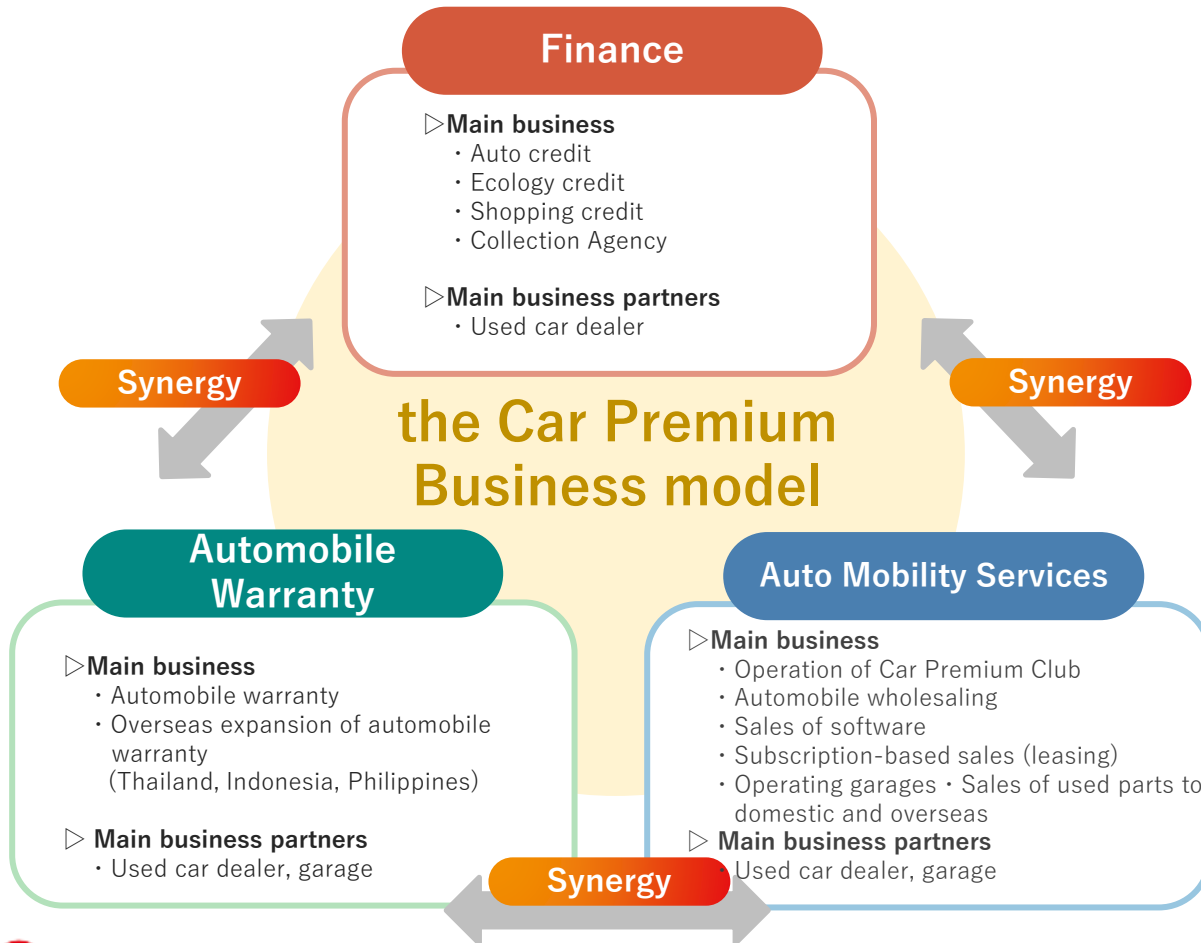
*1. Reference from Japan Consumer Association "credit statistics in Japan 2023"

*2. Reference from Yano Research Institute Ltd. "Data of after market of automobile 2024"

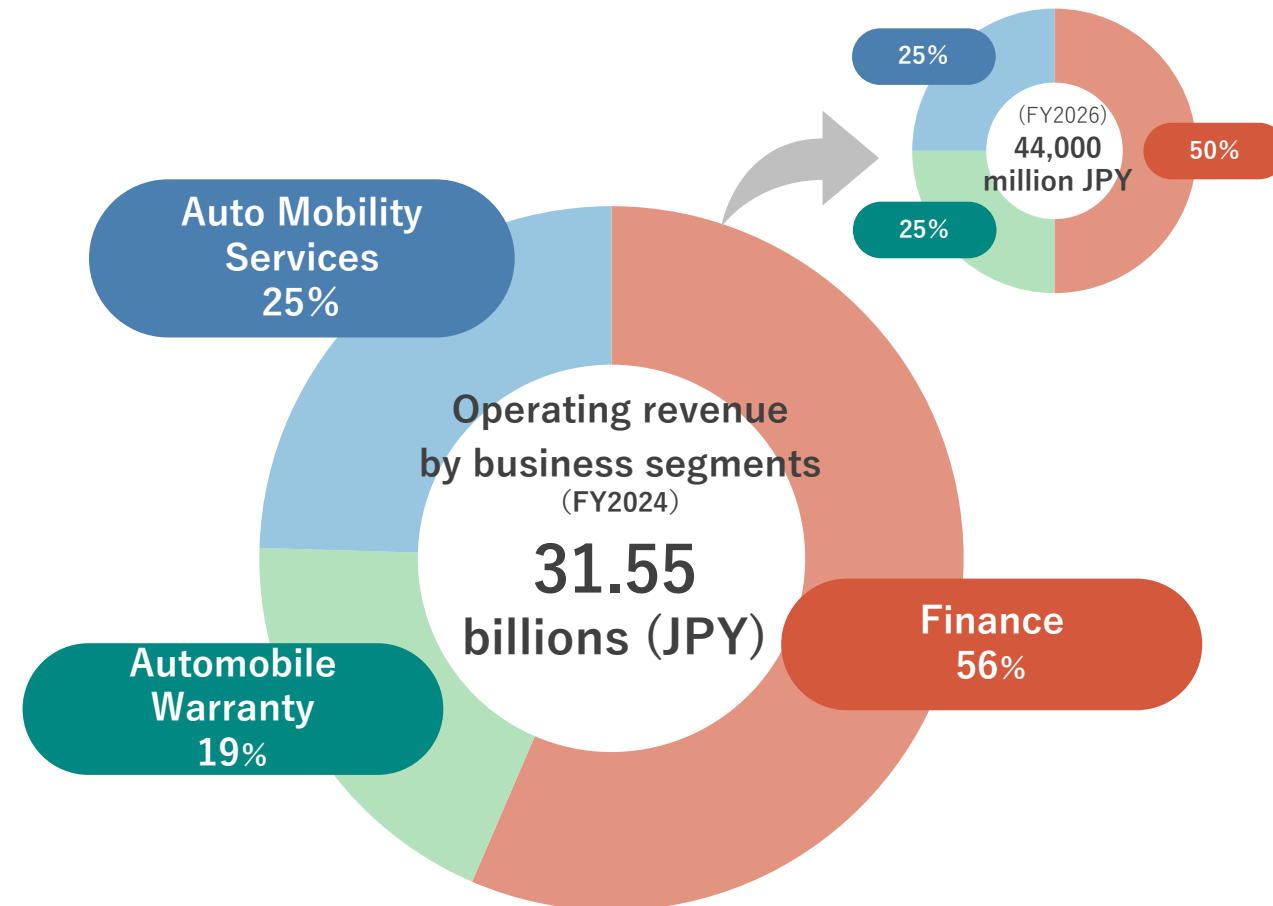
Description of Business

- Premium Group is an **auto mobility company** offering customers a vibrant car life alongside our network of car dealers and garages.
- Increasing the competitive advantage of each business by leveraging business synergies within our group

Business & Synergies



Portfolio by Segment



3. Summary of Each Business

3-1. Finance Business	p.14
3-2. Automobile Warranty Business	p.22
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3-4. Overseas business development	p.33



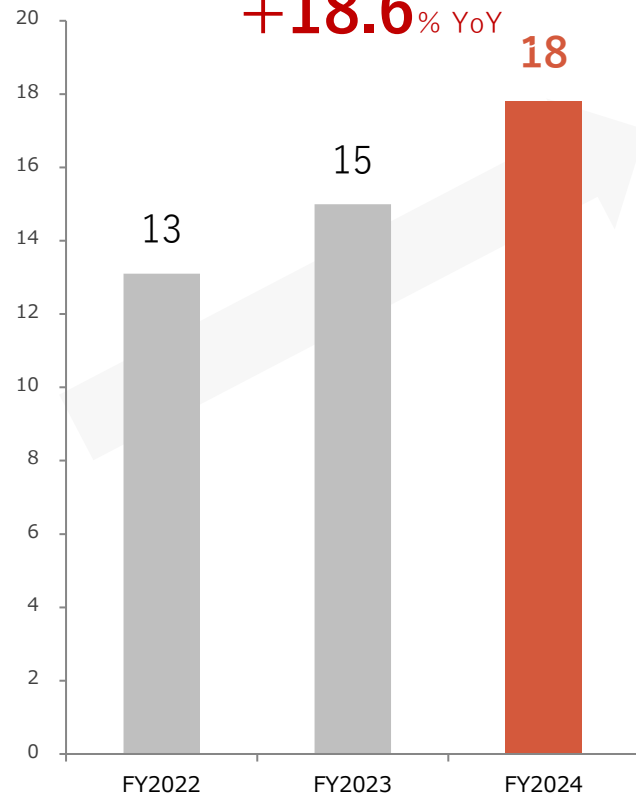
Stable growth since founding

- Finance business and breakdown warranty business are asset businesses and thus stable earnings are recorded.
- Auto Mobility Services as new business unit will show great expansion based on “fee business”.

Finance

Operating Revenue

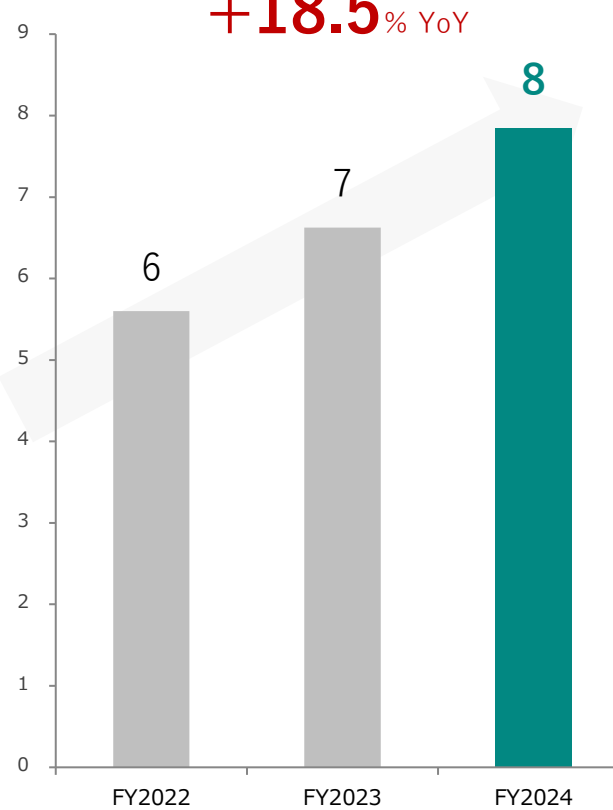
(billion of JPY)



automobile warranty

Operating Revenue

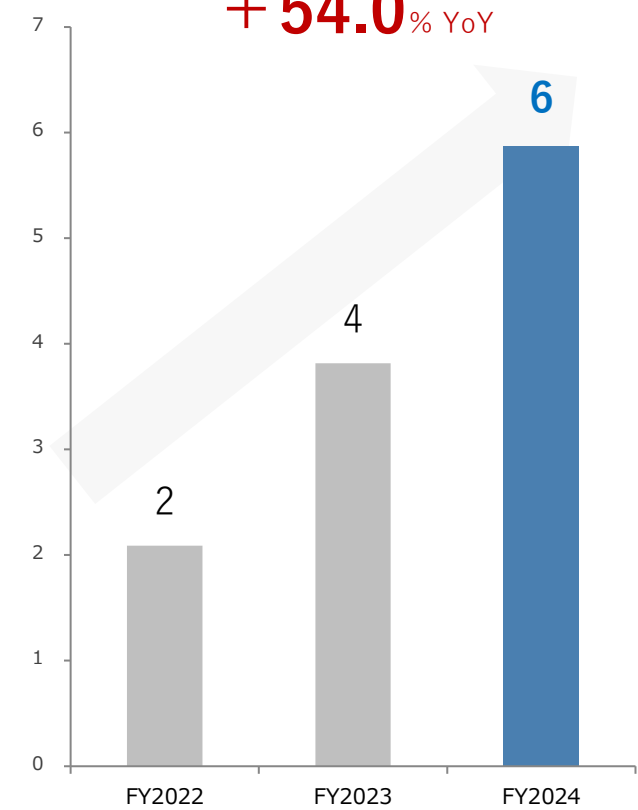
(billion of JPY)



Auto Mobility Services

Operating Revenue

(billion of JPY)





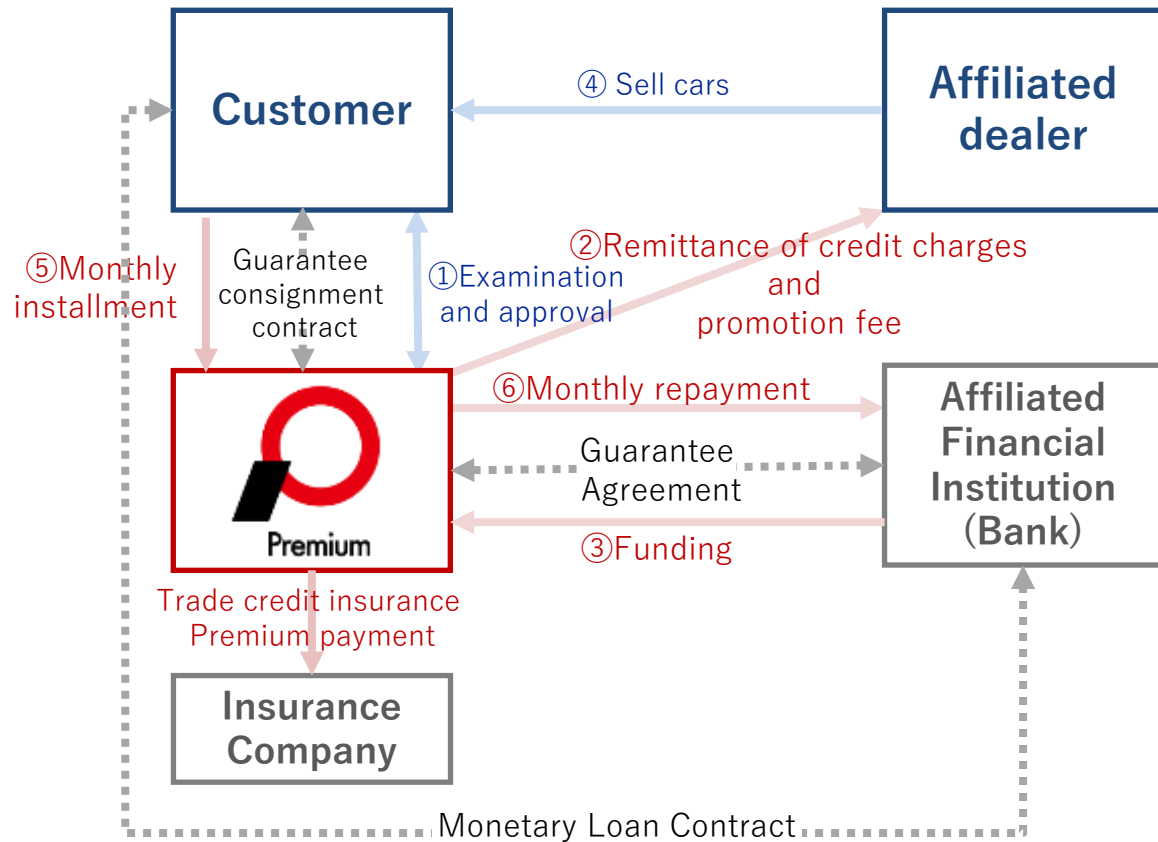
3. Summary of Each Business

- | | |
|--------------------------------------|------|
| 3-1. Finance Business | p.14 |
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| 3-4. Overseas business development | p.33 |

■ Expanding our business with specializing in “auto credit for used car”

Business structure of auto credit (affiliated auto credit)

Affiliated loan method is adopted*
 Funds provided by bank
 Joint guarantee, screening, and collection by us



Market share of auto credit

Of the listed companies handling auto credit, our share is approx. **13%**, and there is room for further development.

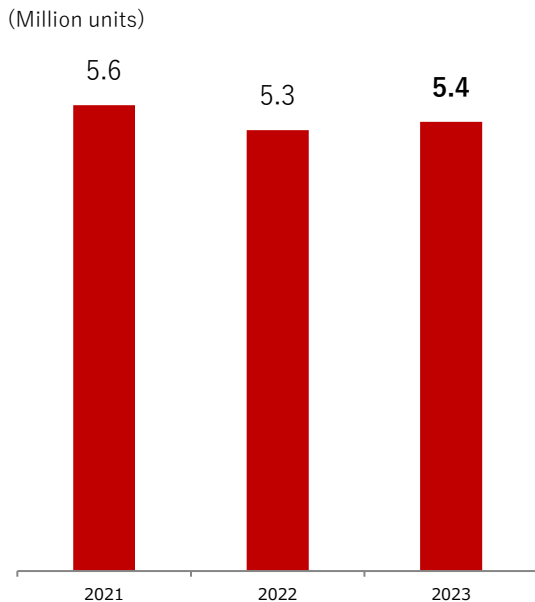


- Demand for used cars is stable. Car is consumer life's **essential commodity**.
- Quite **high barriers** to entry to the auto credit market.

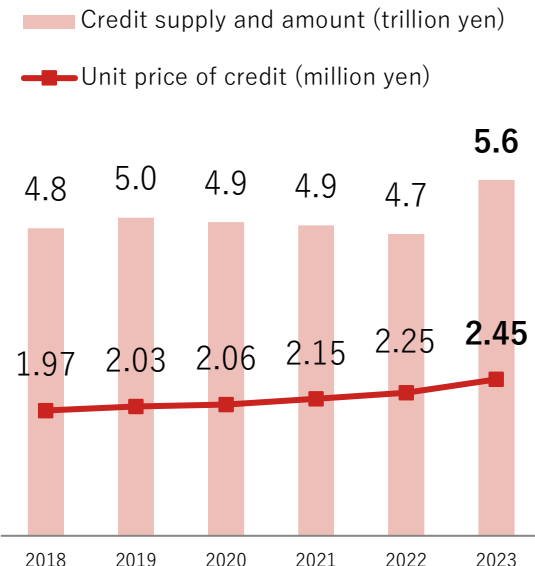
Market Environment

- Used car registrations declined due to Covid-19 Pandemic 2020, but have been **gradually recovering since the beginning of 2023 and will remain flat**
- Although the number of credit extensions decreased due to people refraining from going out due to the Covid-19, As the performance of cars improves, the unit price increases and the amount of credit extended stays the same.
- **Stable demands for vehicles even during recessions (Lehman Brothers bankruptcy 2008, Tohoku earthquake 2011, Covid-19 Pandemic 2020)**

Trend in the number of registered used cars



Auto Credits Amount of credit and unit price



High Barriers to Entry

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

Player in the market

Listed company

3

companies

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

New player

1

Premium Group Only

Source: Japan Automobile Dealers Association, Japan Light motor Vehicles Association, Japan Consumer Credit Association, Credit card statistics in Japan

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

	Competitors	Premium Group												
Organization	<p>Bank-affiliated</p> <p>It is under the umbrella of a bank, its fundraising power is stable, and the number of years it has been in business is long. High market recognition Due to laws and regulations, Limited scope of service provision</p>	<p>Stand-alone</p> <p>Offering various services not bound by the Banking Business Act ※Various services and products : services for used car dealers (automobile warranty, sales of automobile spare part and software, brokerage new vehicle sales)</p>												
Products	<p>Credit related products</p>	<p>Specializing in auto loan with extensive automotive industry experience</p> <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 5px; margin-right: 20px;"> <p>No.1 player in the auto credit market*1</p> </div> <div> <table border="1"> <caption>Auto Credit Ratio Comparison</caption> <thead> <tr> <th>Company</th> <th>Auto credit ratio (%)</th> <th>Other credit ratio (%)</th> </tr> </thead> <tbody> <tr> <td>PG</td> <td>~85</td> <td>~15</td> </tr> <tr> <td>A社</td> <td>~70</td> <td>~30</td> </tr> <tr> <td>B社</td> <td>~65</td> <td>~35</td> </tr> </tbody> </table> </div> </div>	Company	Auto credit ratio (%)	Other credit ratio (%)	PG	~85	~15	A社	~70	~30	B社	~65	~35
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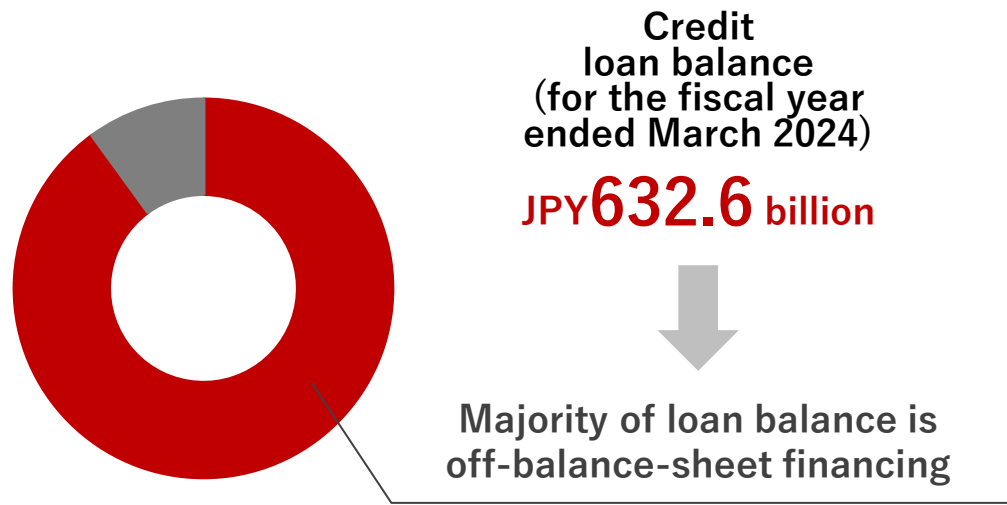
- Majority of loan balance is affiliated automobile loan (**over 90% is off-balance-sheet financing**)

Funding methods

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

Interest rates for funding auto loans

Rising interest rates is little no impact



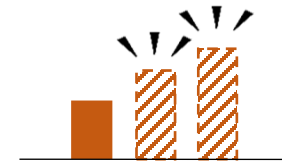
Receivables that don't meet the criteria for affiliated loans (high value, corporate, etc.) are handled in-house.
 ⇒ Creditworthiness is not severe, so we use our own credits.

- > Loans **under contract**



Fixed rates for both funding and loans → **No impact**

- > **New** loans to be contracted

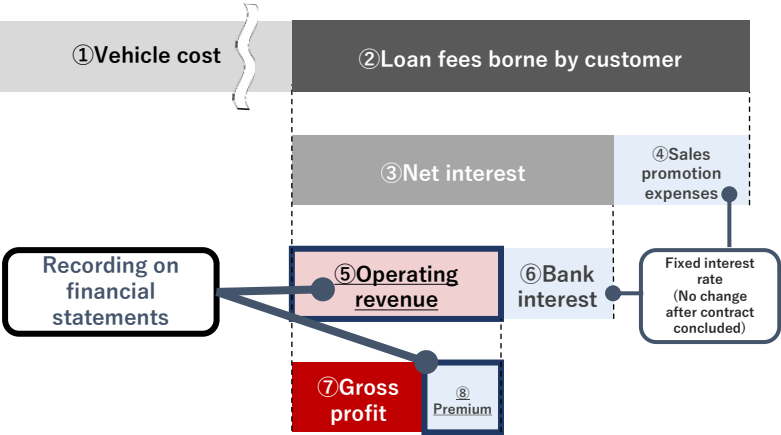


Agilely pass on higher interest rates → **Little to no impact**

- Auto Credit is a **stock-type business**
- Sales deferred over multiple years (average 5 years)

Image of Earnings

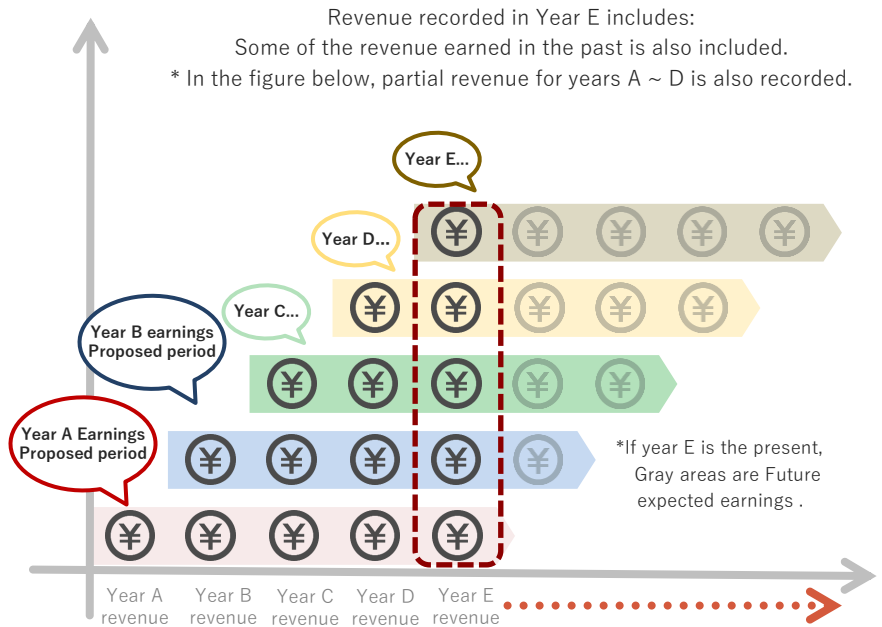
Due to the cost structure that does not assume "low interest rates",
Resistant to the risk of interest rate fluctuations



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

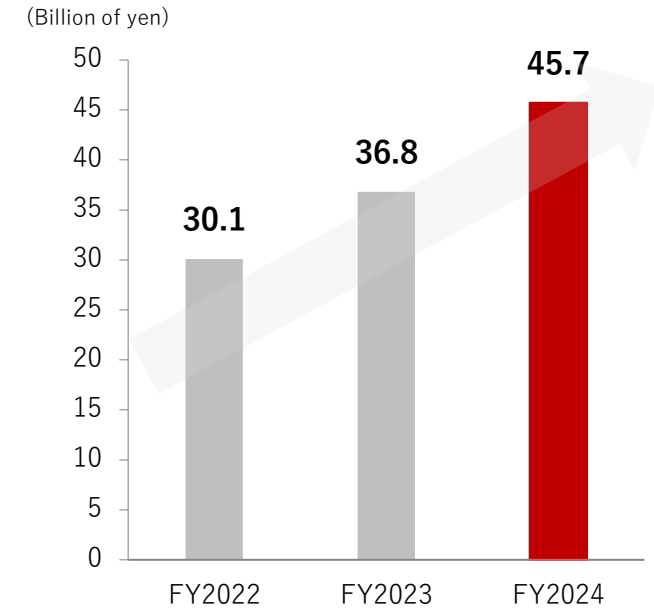
Stock-type business image

The revenue earned each year is recorded in installments according to the contract period.
Stock-type profit structure with stable accumulation of sales



Future expected earnings in the Finance Business

Expenses are recorded as a lump sum and income is deferred using the effective interest method.
45.7 billion yen of future expected earnings stocked in BS



Note : Future expected earnings means "Financial guarantee contracts"

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

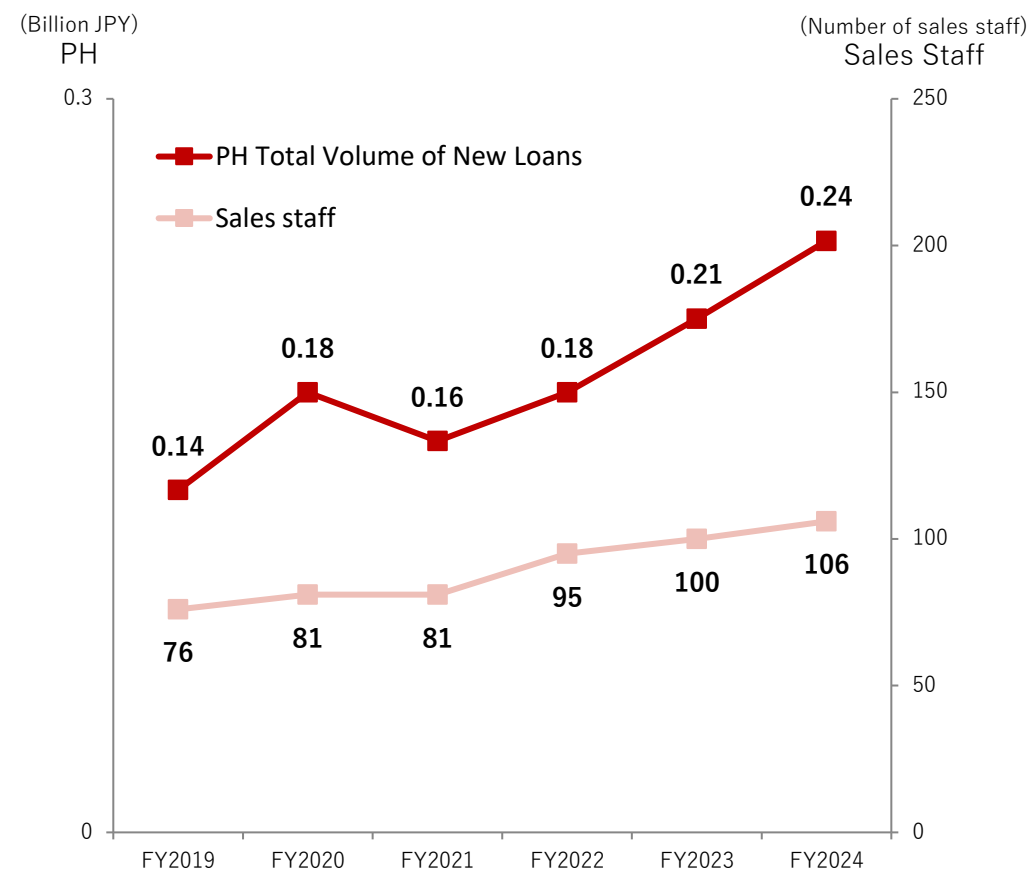
Sales Strategy

In the **retention strategy** of the paid membership organization Car Premium Club,
Comprehensive provision of automotive-related services

	forte
Sales Structure	<ul style="list-style-type: none"> Organize car dealers and garages → Establish a nationwide service provision system Car Premium Dealers: 2,660 companies Car Premium Garages: 710 stores Face-to-face sales and non-face-to-face sales (telephone business negotiations) Adopt a hybrid sales system that combines → Efficient approach to existing, unoperated, and untapped destinations
Versatile service Line-up	<ul style="list-style-type: none"> In all scenes of car life, from car selection to sale Car Premium Club services available → Solving Automobile-Related Problems with the Premium Group
online conjugation	<ul style="list-style-type: none"> Our service site for end users “クルマのことならカープレミア”Utilize a portal site for Affiliated dealer → Easily use the service anytime, anywhere → End users, car dealers and garages connecting

The total sales volume of new loans per salesperson

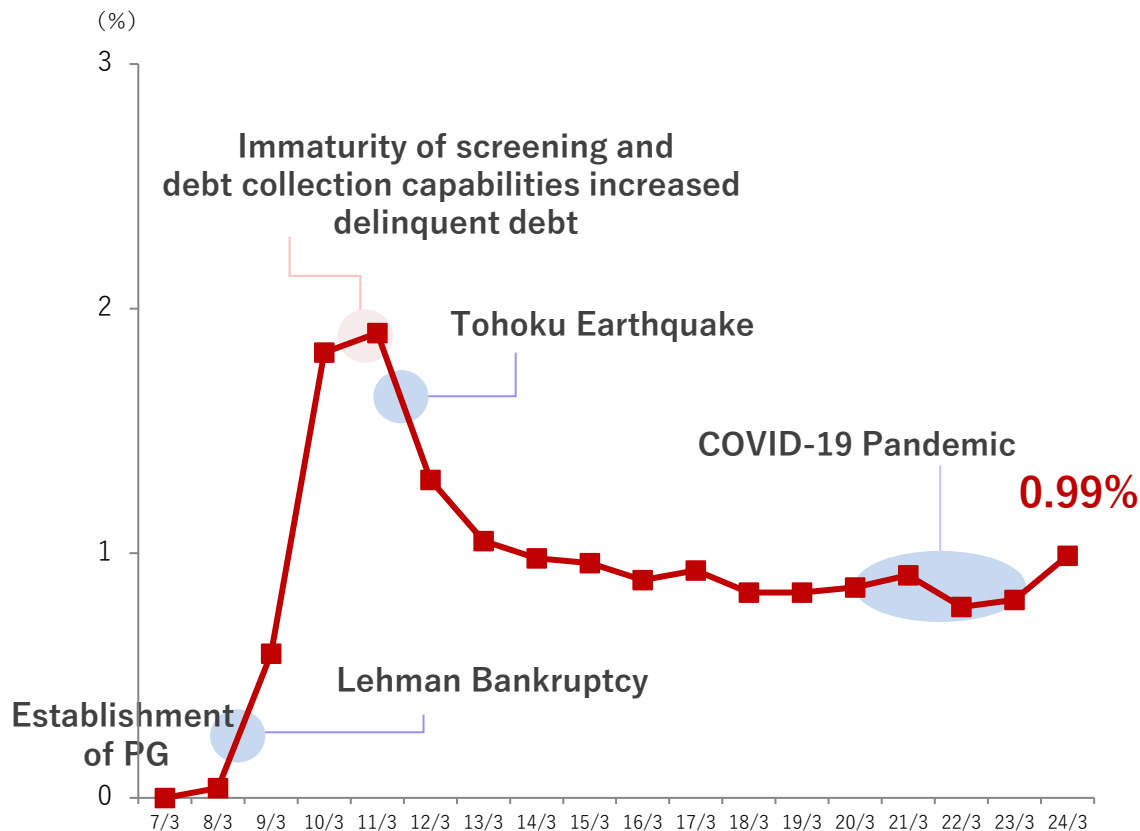
Achieved increase of sales volume by increasing monthly transaction volume PH(per head) and the number of sales staff



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

Delinquency rate

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

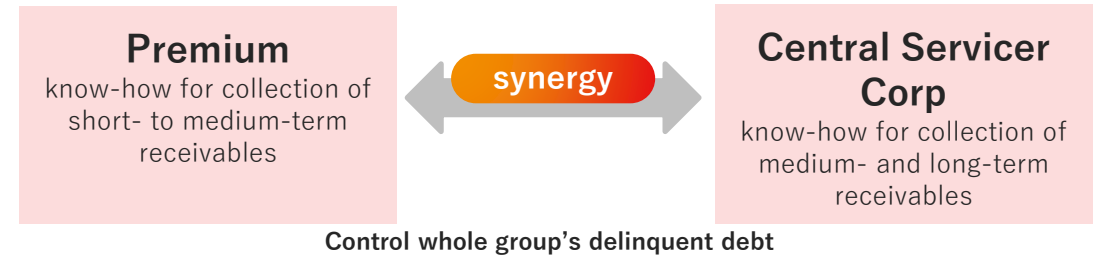


Features of auto loan receivables

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

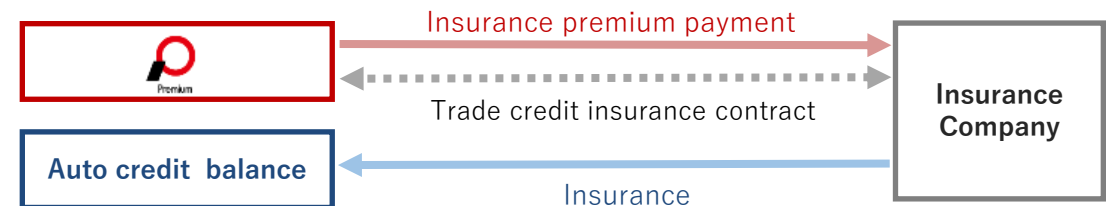
Group-based debt collection

- Collaboration leads to curtailment of our group's delinquent debt



Get insurance and be prepared for default

- Even in an economic downturn, there is no need to increase the allowance for bad debts.
- Equalize default costs



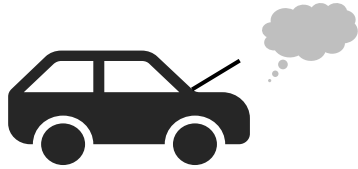
Note: "Delinquency rate" refers to the total amount of receivables that are more than 3 months in arrears and special loan receivables (with judicial intervention), expressed as a percentage of the loan receivables at the end of the period.



3. Summary of Each Business

- 3-1. Finance Business p.14
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- A service that Warranty Service in the event of a spontaneous breakdown of a car



Sudden malfunction or spontaneous failure

Unable to open or close power windows...
The sliding door does not close on its own...
Air conditioner stopped working...

Sudden incurring of repair costs



If you use our warranty service,
We guarantee the cost of repairs "free of charge"

Subscribe when purchasing home
appliances, etc.
Car version of warranty service



Responding to Accidents
Different from "car insurance"



Private Label Products
Premium's Automobile Warranty

Top market share in
the industry

カープレミア 故障保証



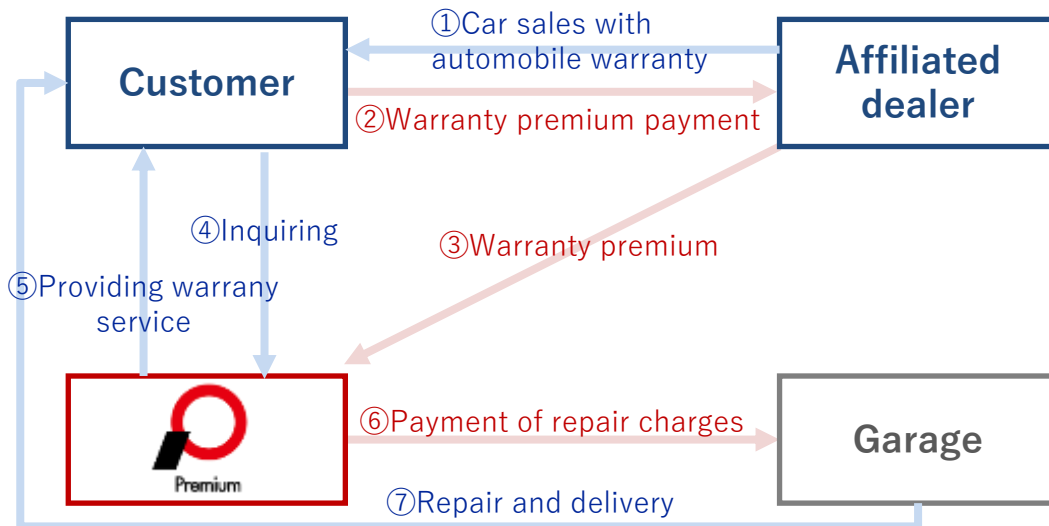
Automobile Warranty Business -Summary

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

Structure of Automobile warranty

Unlike “Automobile insurance” which covers accidents, Automobile warranty covers **spontaneous breakdowns**.

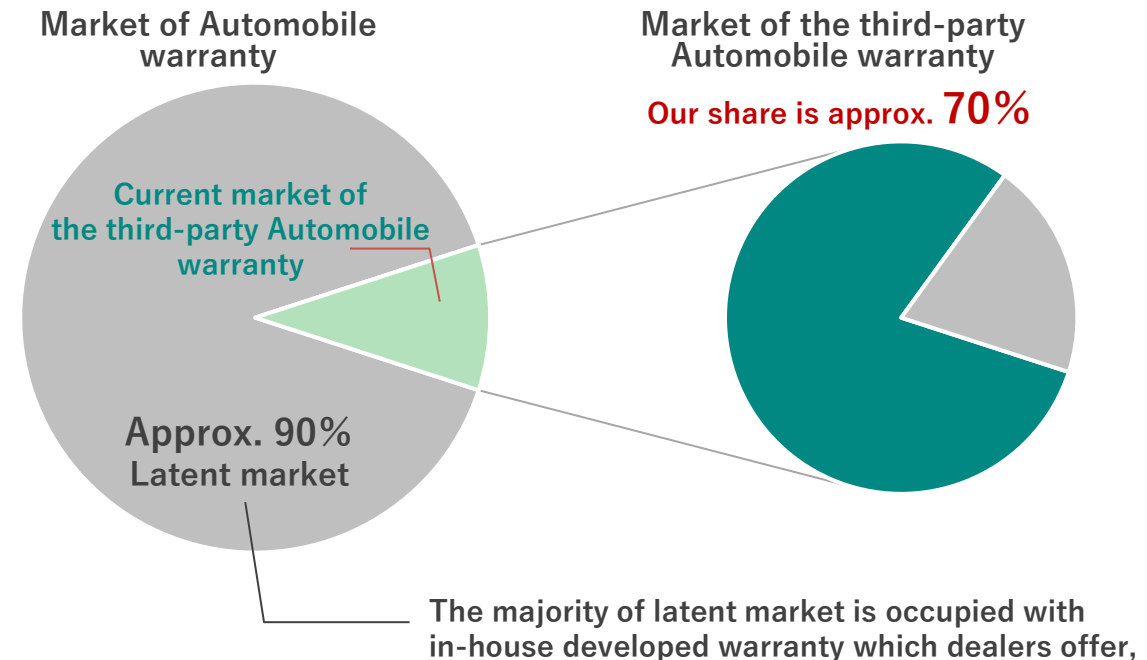
	insurance	Warranty
Target	Sudden, accidental and external damage	Spontaneous breakdown occurred under normal use
Payment	lump-sum payment /installment payment	Lump-sum payment
Advantages for customers	receive insurance money	Free repair service



Market share

Holding a dominant share in the third-party Automobile warranty market.

Automobile warranty is directly linked to used car retail market trends because the warranty application can be made either at cash purchases or through other credit company service



Automobile Warranty Business -Summary

- The accumulated number of Automobile warranty contract is approx. 1.7 million.
Expanding our presence in the market with our own brand.

Advantages of Automobile warranty

Both network stores and customers enjoy the benefits of warranty

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



Main products

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

<p>Proper product</p>	<p>House brand product</p>
	<p>Premium's warranty (offering to Premium's Affiliated dealers) Car Premium's warranty (offering to Car Premium Dealers)</p>

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

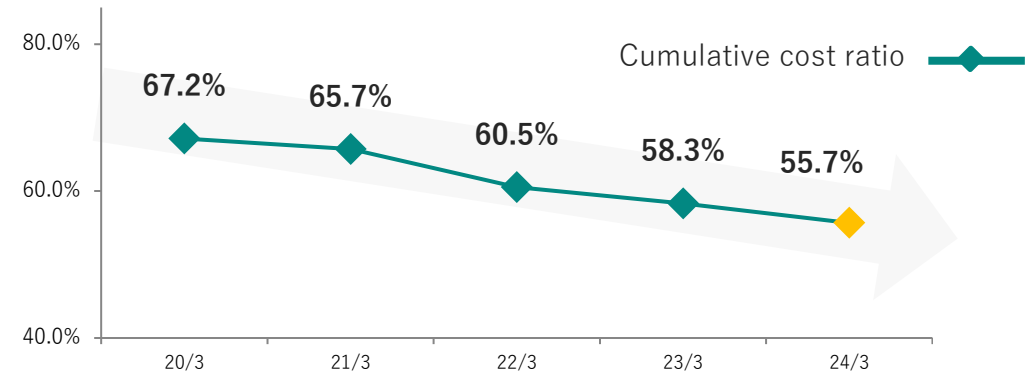
<p>OEM product</p>	<p>Offering to voluntary used car dealer chains etc. Providing OEM product for over 170 companies</p>
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■ Containment of cost and developing market through pricing strategies with PG group synergies

	Competitors	Premium Group
Feature	Latecomers	<p>No.1 player</p> <p>Enormous amount of claim data ※The accumulated number of warranty contracts is approx. over 1.7 million</p>
Cost reduction	Outsourcing	<p>Assign our network garages to cope with warranty claims so that our subsidiaries provide automobile parts if applicable</p>

Repair cost reduction

- 1 Repair the Group's maintenance shop network
 - 2 Use of the Group's repair parts
- **Cost containment**

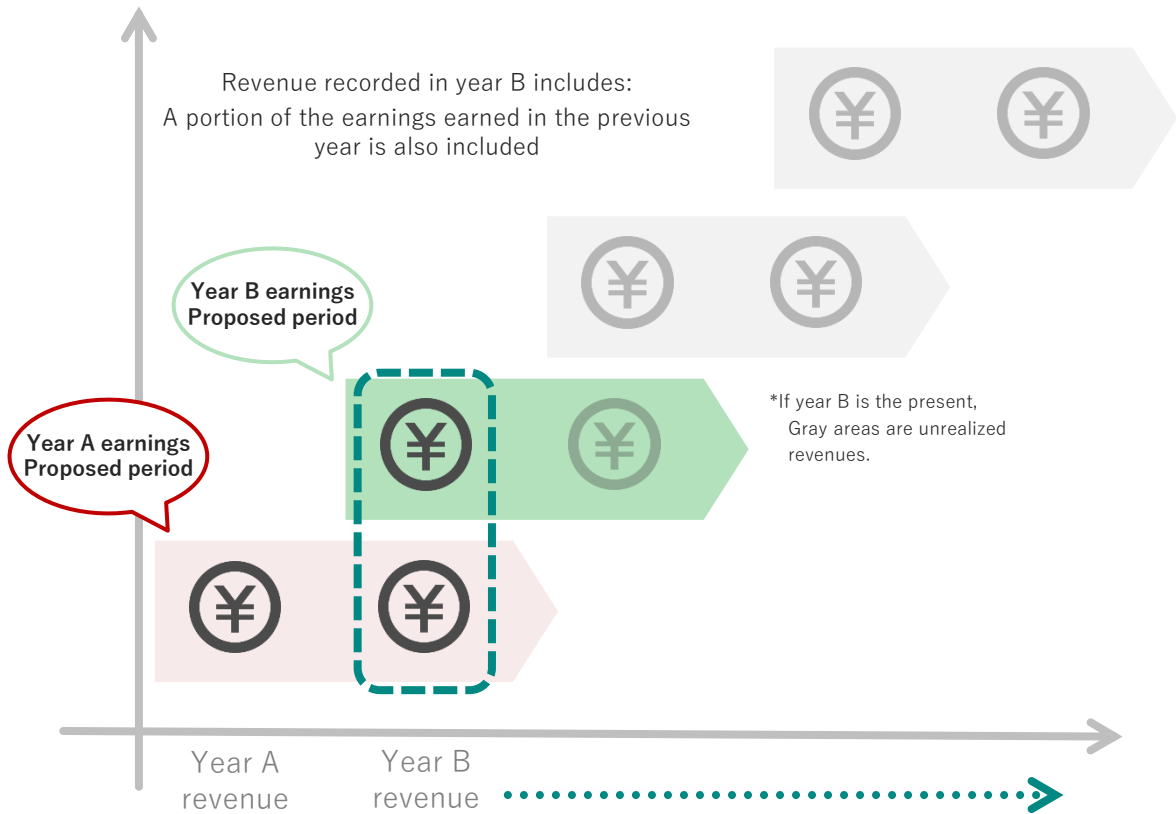


Automobile Warranty Business -Special Features(Accounting)

- Receiving warranty payment in advance and **deferring revenue**
- **Stable** cash position and profitability

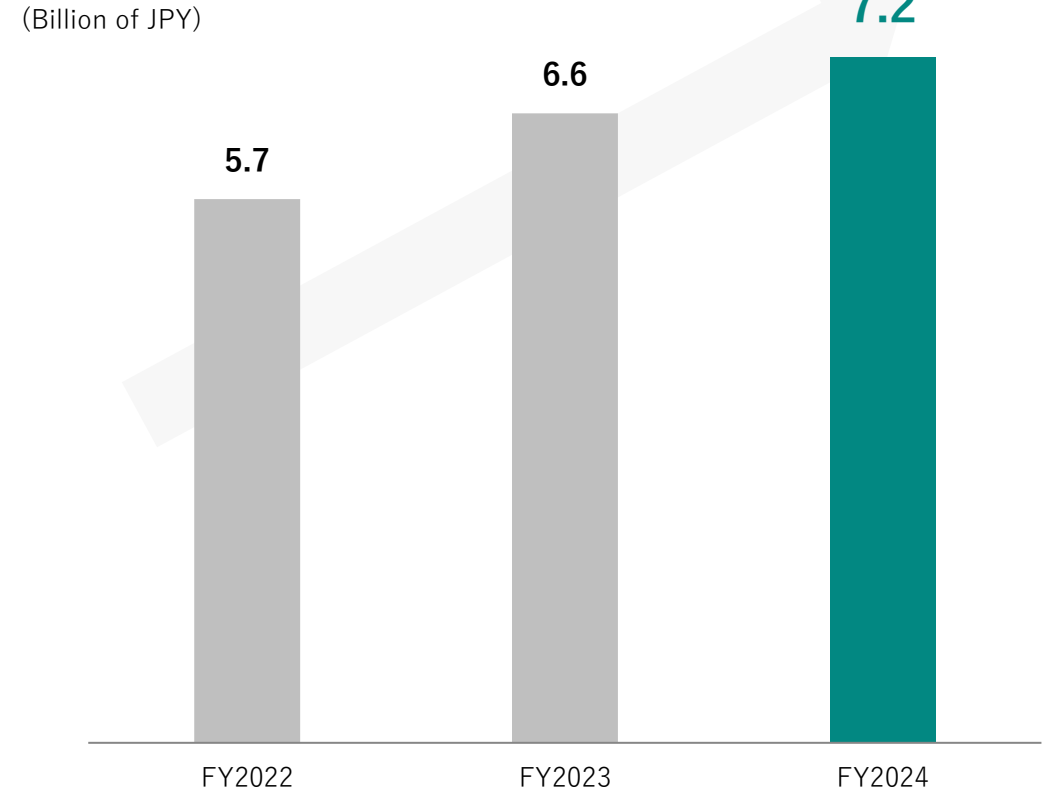
Image of recurring revenue business model

The revenue earned each year is recorded in installments according to the contract period.
 Stock-type profit structure with stable accumulation of sales



Future expected earnings in the Automobile Warranty

JPY7.2 billion stocked on B/S
 as Future expected earnings
 as of March 31, 2024.



(Note)Future expected earnings means "warranty unearned income"



3. Summary of Each Business

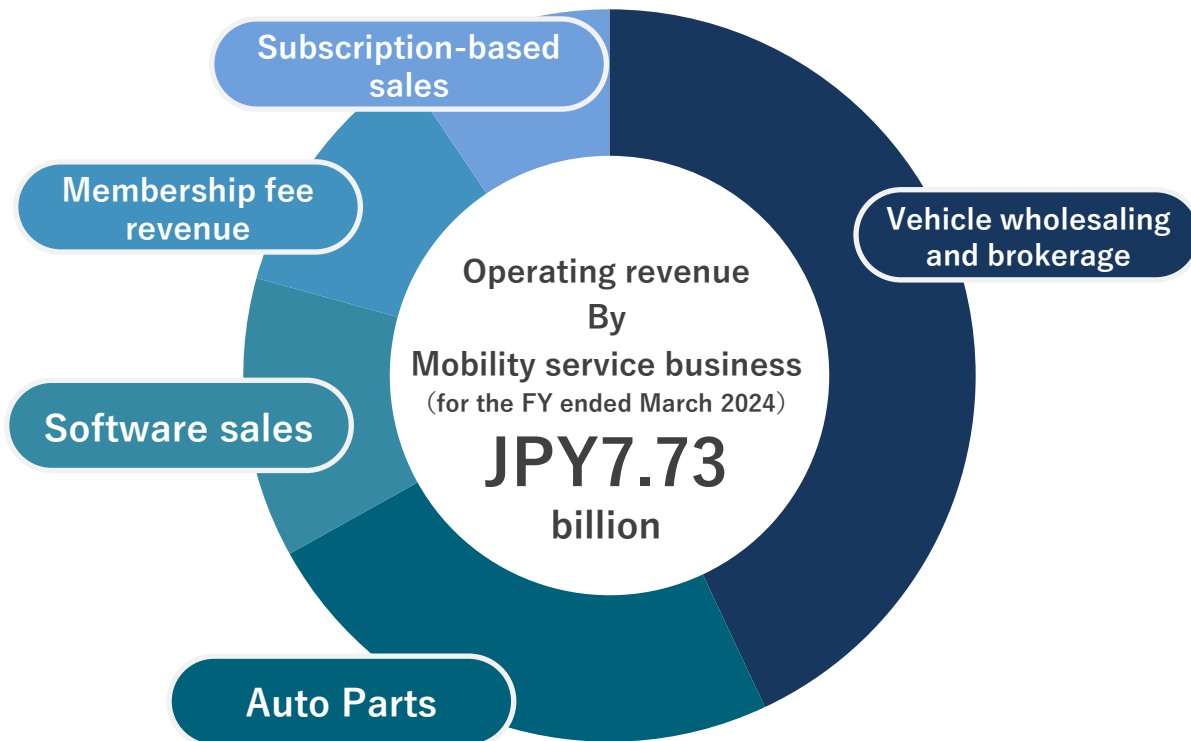
- 3-1. Finance Business p.14
- 3-2. Automobile Warranty Business p.22
- 3-3. Auto Mobility Services Business p.28**
- 3-4. Overseas business development p.33

Auto Mobility Services Business -Summary

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

Portfolio by Services

Along with the expansion of four major services,
Focusing on the development of services for Car Premium Club member
and new businesses



Vehicle wholesaling and brokerage

Sales of salvage vehicles and new car to Car Premium Club

Auto Parts

Through a parts trading company, we sell recycled, rebuilt, and new external parts to car dealerships and repair shops in our Maintenance facility network

Software sales

Sales of software for garages

Membership fee revenue

Membership fee revenue of Car Premium Club

Subscription-based sales

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

Auto Mobility Services Business - Car Premium

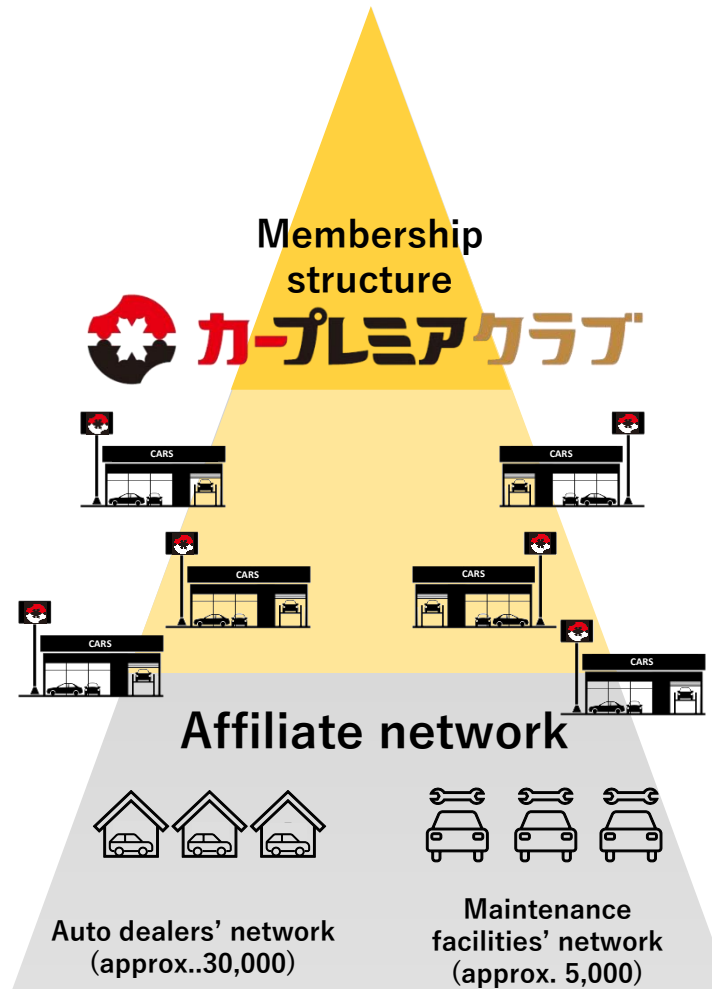
- Organization "Car Premium Club" from Affiliated dealer and Maintenance facility network
- Providing a full range of auto mobility services to users through Car Premium Club

Auto dealers' membership structure

カープレミアディーラー

	Affiliated Dealer	Gold Member	Diamond Member
Attracting customers	●Car Premim Site Listing	×	○ Top Listing
	●Anshin Shop	×	○
Sales Support	●Auto Credit	○ Credit Expansion	○ Credit Extra Expansion
	Automobile Warranty	○ Member-only plans	○ Higher incentive
	Auto Lease	○ Member-only plans	○ +with supervisor
Purchase Support	●Automobile Bidding	×	○
	Auto Parts	○	○ With incentive

● = Main service



Maintenance facilities' membership structure

カープレミアガレージ

	Maintenance Facility Network	Gold Member	Diamond Member
Attracting customers	●Priority sending of customers at time of repairs	○	○ Priority Top priority
	Car Premim Site Listing	×	○ Top Listing
	●Anshin Shop	×	○
Sales Support	Automobile Warranty	×	○ Member-only plans Member-only plans
	Auto Lease	×	○ Member-only plans
	Brokeage of new cars	×	○ Favorable Conditions Favorable Conditions
Purchase Support	●Auto Parts	○	○ With incentive With incentive

● = Main service

Auto Mobility Services Business - Car Premium Anshin Shop

- Fraud by a major used car dealer has led to growing anxiety and distrust of the used car industry
- Aiming to clean up the entire used car industry, you can receive products and services with peace of mind.
Launched the "Car Premium Anshin Shop System"

What is Car Premium Anshin Shop?

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

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

カープレミア
あんしんショップ

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

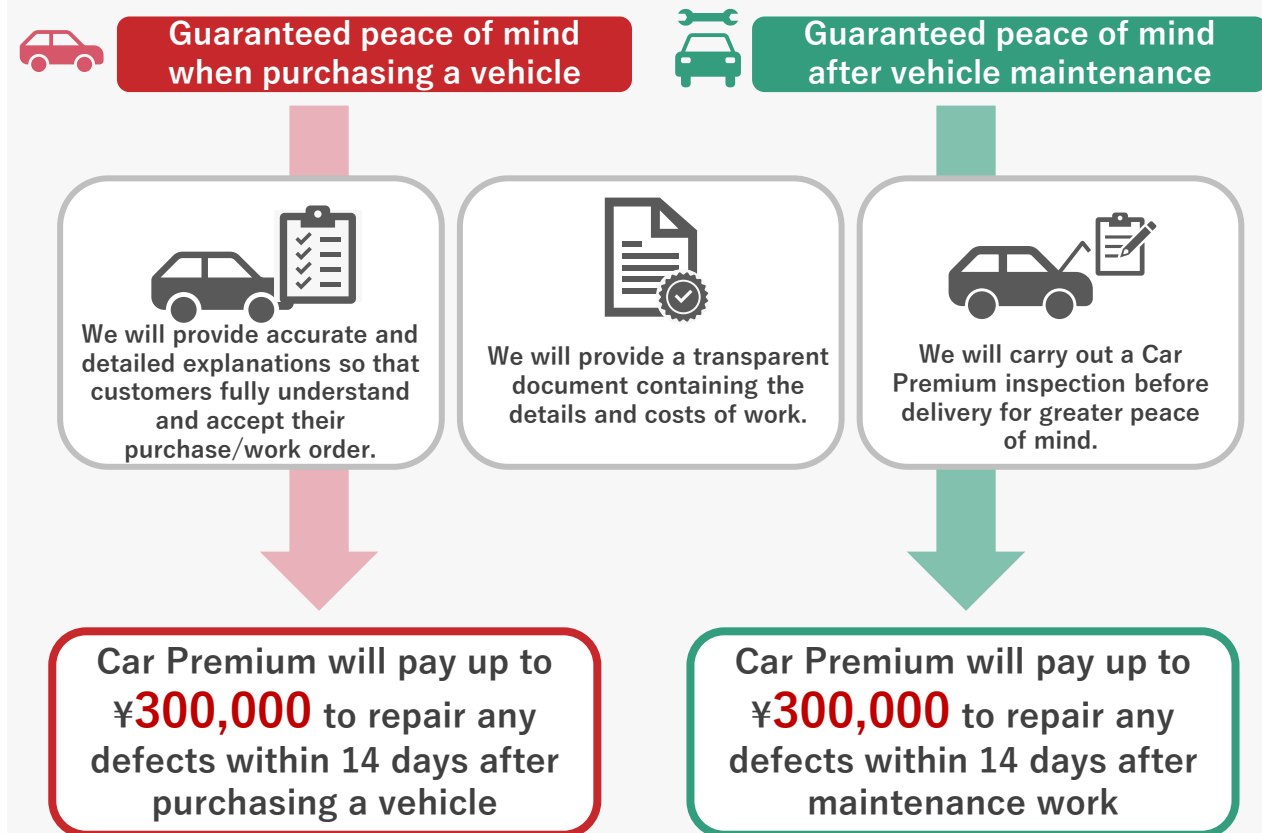
カープレミアクラブ

Diamond Members

カープレミアクラブ

Gold Members

Details of peace of mind guarantee and services



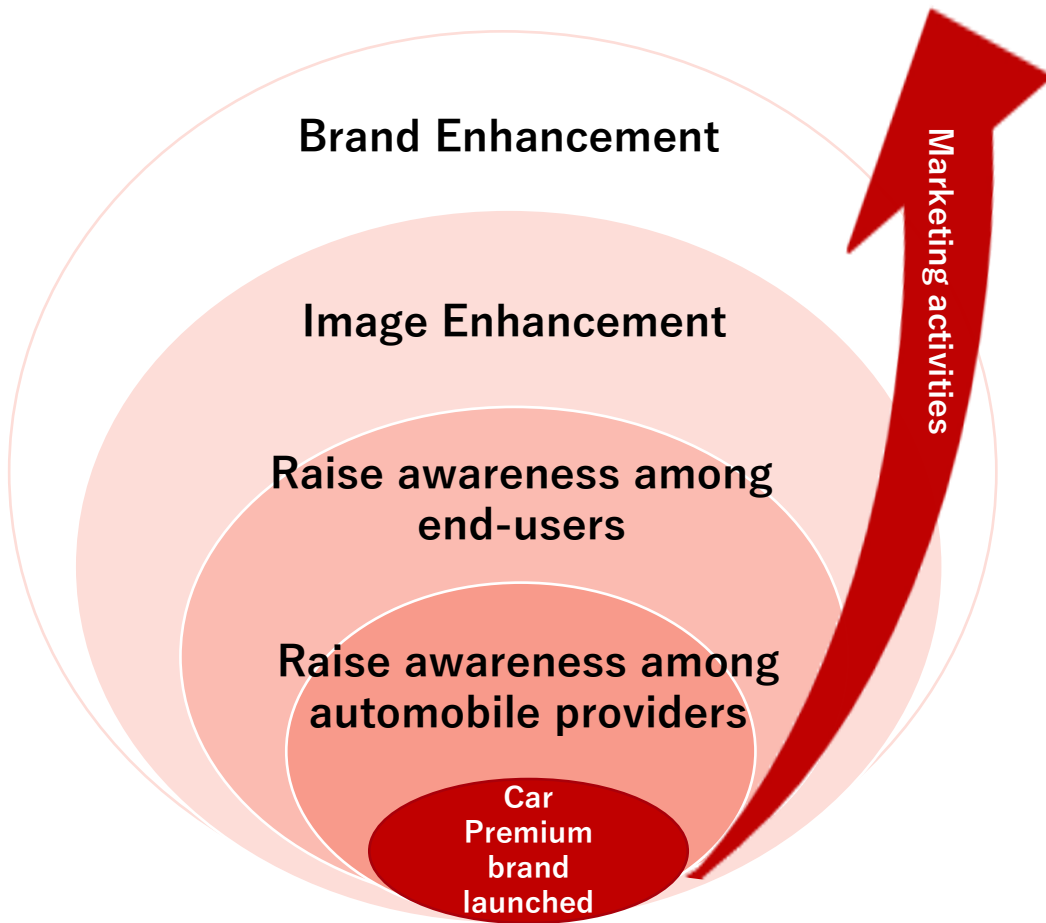
- Accelerate **the expansion of awareness of "Car Premium"** through mass marketing
 →Through the development of the "Car Premium" brand, we aim to achieve our mission

Vision of Mass Marketing Activities

Marketing Activities

Establishment of a car premium business model

As a platformer that connects end users and automobile providers
 In order to create a bright future together, we are developing various advertising measures.



Flags/signboards

Car Premium Club members will display banners and signboards to increase awareness among end users
 At Car Premium Club member stores
 I want to receive services
 Attract end users

Celebrity appointment

GENERATIONS from EXILE TRIBE
 EXILE TAKAHIRO & Shingo Katori & Hiromitsu Kitayama casting
 April 2024~ July 2024~

Major Media Coverage

【TV/Radio】
 • All Broadcasters : Car Premium's TV Commercials

【Commercials for various social media and digital media】
 YouTube/Instagram/Facebook/X/TikTok
 TVer/Google/ABEMA/DAZN Newspaper coverage, radioCM etc.

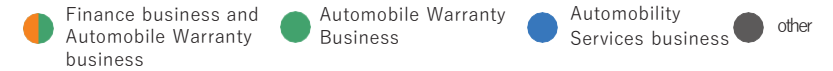


3. Summary of Each Business

- 3-1. Finance Business p.14
- 3-2. Automobile Warranty Business p.22
- 3-3. Auto Mobility Services Business p.28
- 3-4. Overseas business development p.33**

Overseas Strategy

- Expansion into Southeast Asia and other countries
- In the ultra-long term, we aim for domestic:overseas = 50:50



Tanzania Auto Mobility Service

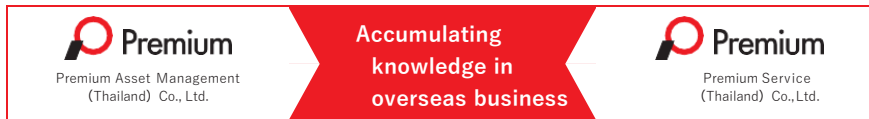
Export of recycled parts and develop automobile repair shops. We have also expanded into Central and South America. We will continue to expand into other countries.



*From April 1, 2024, the Auto Parts business has been transferred to the Auto Mobility Service business.

Thailand Finance Automobile Warranty

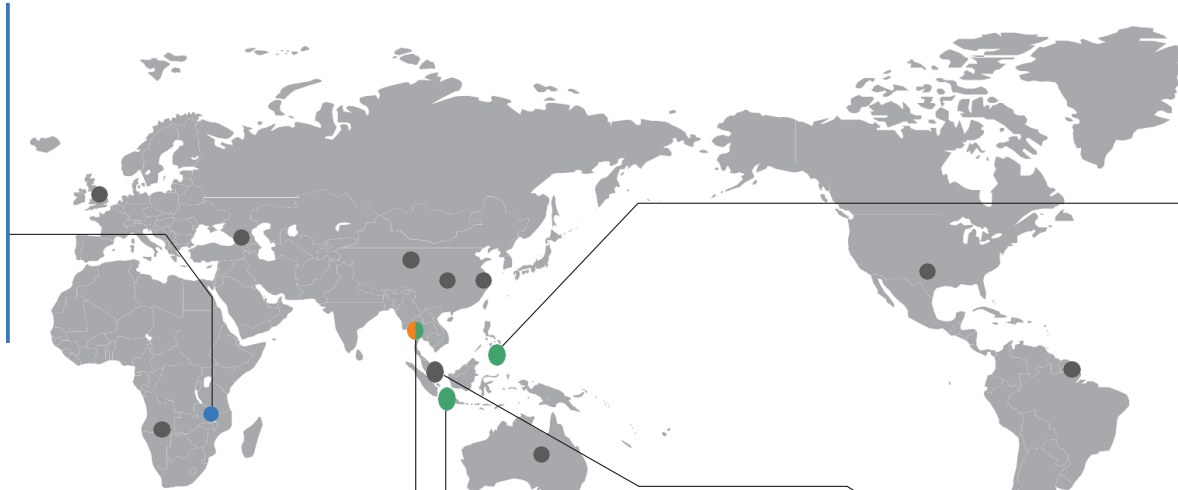
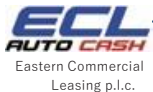
Provision of finance and automobile warranty know-how, and promotion of automobile warranty and maintenance services.



Finance & Automobile Warranty Know-how Provided

Under a cooperative system Expansion of the car aftermarket

Provision of breakdown warranty Operation of automobile repair shops



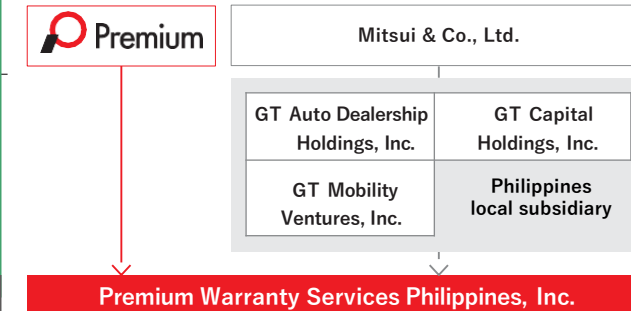
Indonesia Automobile Warranty

Together with Sumitomo Corporation and local companies, we will promote Automobile warranty business



Philippines Automobile Warranty

Together with Mitsui & Co., Ltd. and local companies, we entered the Philippines as a leading provider of automobile warranty services.



Philippines Other

Invested in AND Financing Corporation, which develops a consumer finance business that utilizes digital technology, to expand the company's business development

Singapore Other

Establishment of a local subsidiary in Singapore as a base for research and information gathering on the Asian market, management of overseas subsidiaries, and strategic activities

4. Growth Strategy

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

4 - 2. Initiatives for Sustainable Growth p.41

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



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

Check here
for details



https://ir.premium-group.co.jp/en/library/plan/main/0/teaserItems1/0/link/ONE%20ONLY_e_clean.pdf

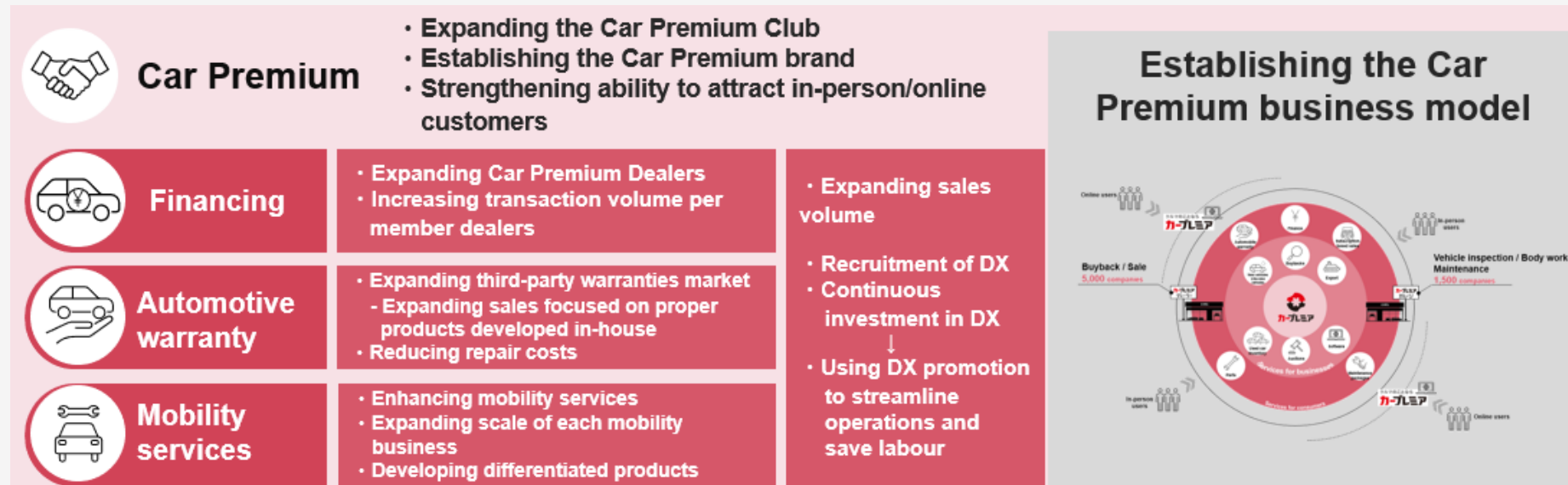
Medium-Term Vision

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

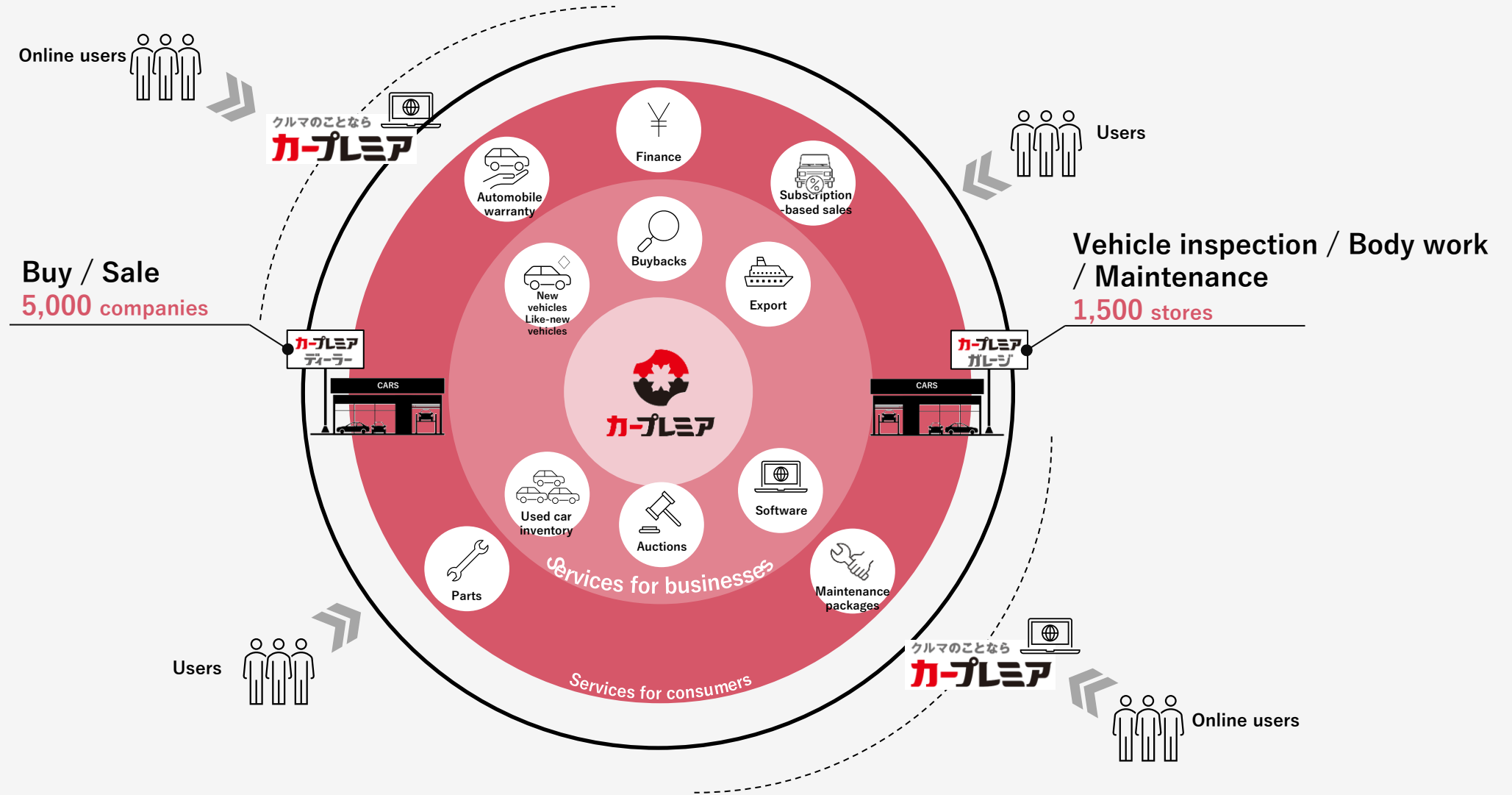
Numerical Targets

Operating income	Profit before tax	Profit attributable to owners of parent	ROE	Market cap
JPY 44.0 billion	JPY 10.2 billion	JPY 7.0 billion	30–39%	JPY 140–175 billion
vs. FY2023: +74.6%	vs. FY2023: +91.0%	vs. FY2023: +75.0%	FY2023 results: 34.7%	vs. FY2023: 204–255%

Key Issues



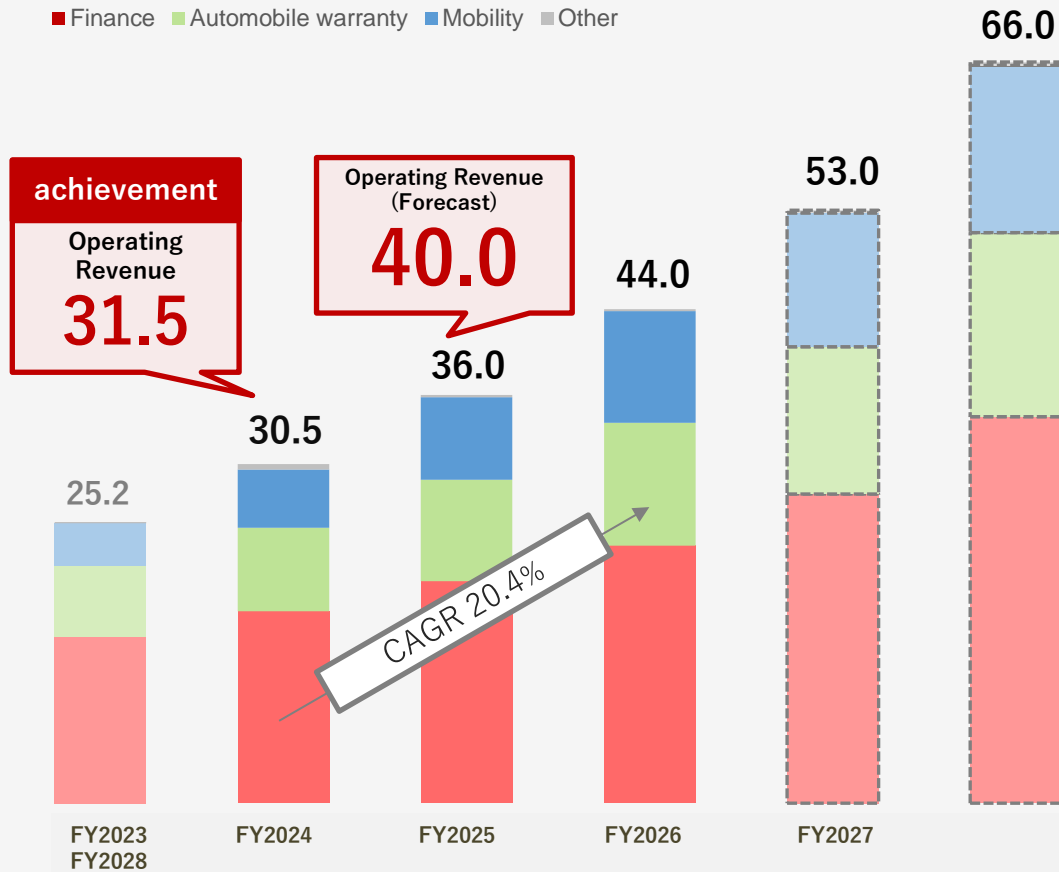
Mid-Term Vision: Establishing the Car Premium Business Model



Targets: Management Index

Operating revenue

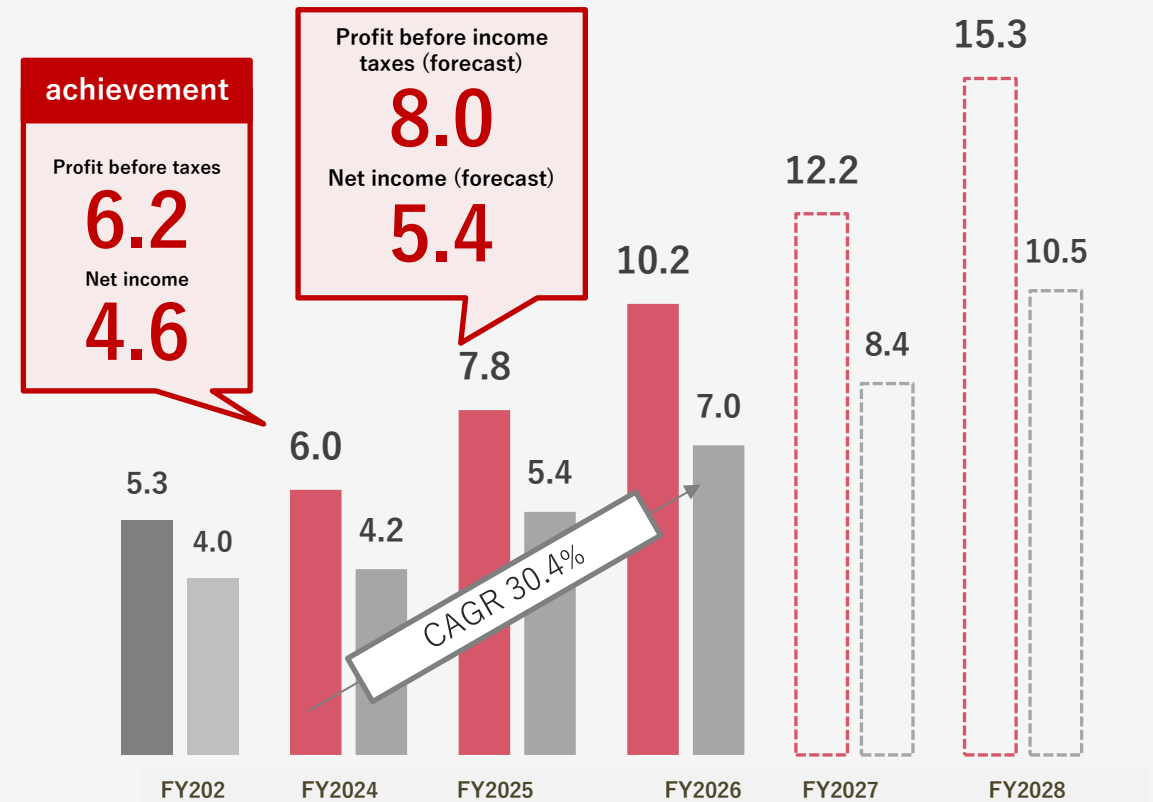
(Billions of yen)



Profit before tax

(Billions of JPY)

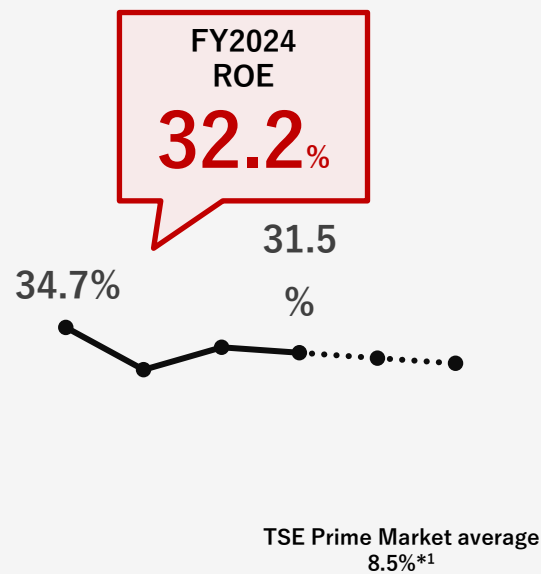
Profit before tax (red), Profit attributable to owners of parent (grey)



Targets: Other Index

ROE (%)

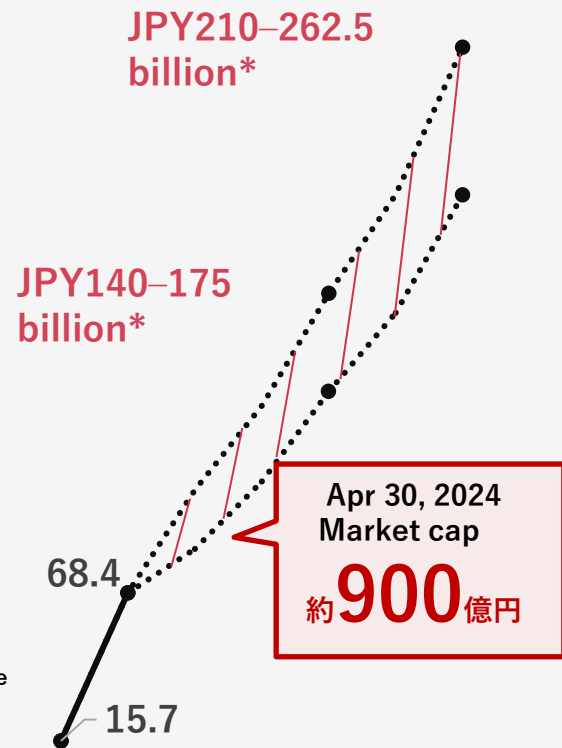
► Maintaining the 30%–39% range



FY2023 FY2024 FY2025 FY2026 FY2027 FY2028

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

Market cap (Billions of JPY)

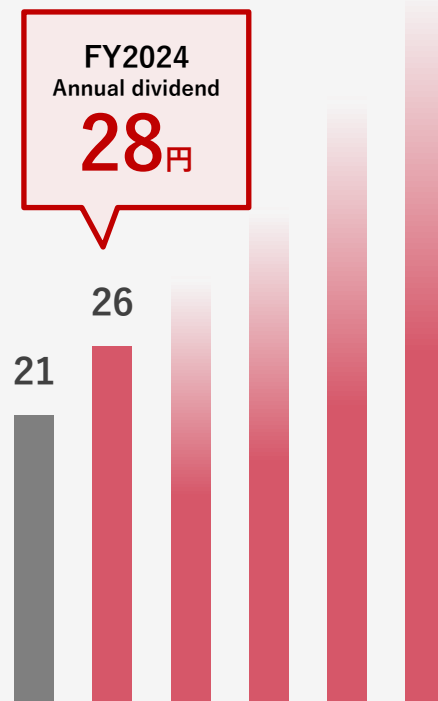


Dec. 2017 FY2023 FY2024 FY2025 FY2026 FY2027 FY2028

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

Dividends (Yen)

► Increasing dividends with growth



FYFY2023 FY2024 FY2025 FY2026 FY2027 FY2028

Other policies

● Dividend policy

• Dividends

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

Note: The Group is currently in a business growth phase.

However, dividends are continuously **increasing** in line with profit growth.

• Share buybacks

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

● Financial policy

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

• Obtained A ratings and above

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

Overseas Strategy

○ Fundamental policy

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

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

○ Future issues and initiatives

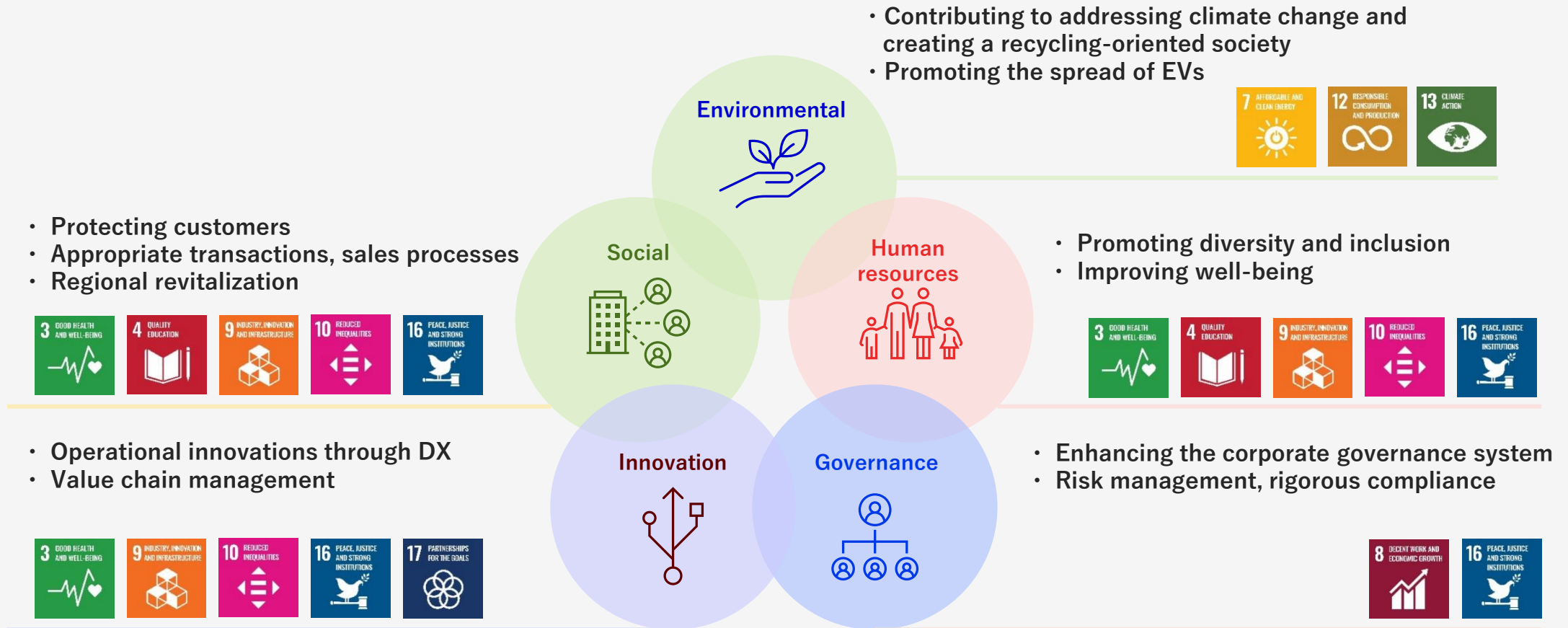
- **Securing and developing global and local human resources**
 - Recruiting and training global human resources
- **Considering new countries for market entry**
 - To secure further revenue opportunities, will collect information on local geopolitical risks and expand business as a unified group
- **Boosting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

FY30



Initiatives for Sustainable Growth: Summary

The following are our key issues sets for achieving sustainable growth



Initiatives for Sustainable Growth

Environmental



Addressing climate change

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



Contribute to creation of recycling-oriented society

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



Promoting the spread of EVs

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



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Social



Customer privacy and data protection

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

Appropriate transactions/sales processes

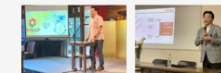
- Obtaining/renewing business registration as an individual credit purchase intermediary as required by the Installment Sales Act
- Establishing internal regulations certified as compliant with the model regulations stipulated by the Japan Consumer Credit Association
- Issuing an internal and external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

Value chain management/DX innovation

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

Achieving both sales efficiency and social contribution

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



Regional revitalization / Education

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



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Human Capital



Human resource development

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

Promoting diversity

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

Work style reforms

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

Respecting human rights

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



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Training expenses per employees

FY23 result	FY26 target	Corporate average: ¥28,000
¥75,000	> ¥100,000	Source: "2022 Field Survey of Education and Training Expenditures" by the SANRIO Research Institute, Inc., based on FY2021 results.

Percentage of female managers

FY23 result	FY26 target	Corporate average: 9.4%
19.1%	> 25%	Source: "Corporate Attitude Survey Toward the Promotion of Women (2022)," Teikoku DataBank

Percentage of non-Japanese employees

FY23 result	FY26 target	Includes equity-method affiliates
12.4%	> 15%	

Percentage of female directors

FY23 result	FY26 target	TSE Prime Market average 9.0%
33.3%	> 33-50%	Survey by "TOYOTA SHOKO RESEARCH, LTD." Achieved 30% share of female officers as recommended by the Asian Corporate Governance Association (ACGA)

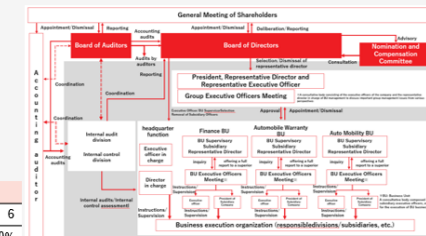
Governance



Corporate governance

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

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



Compliance / Risk management

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



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5. Conclusion



Toward a Truly Prosperous Society

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

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



APPENDIX.

Company Profile

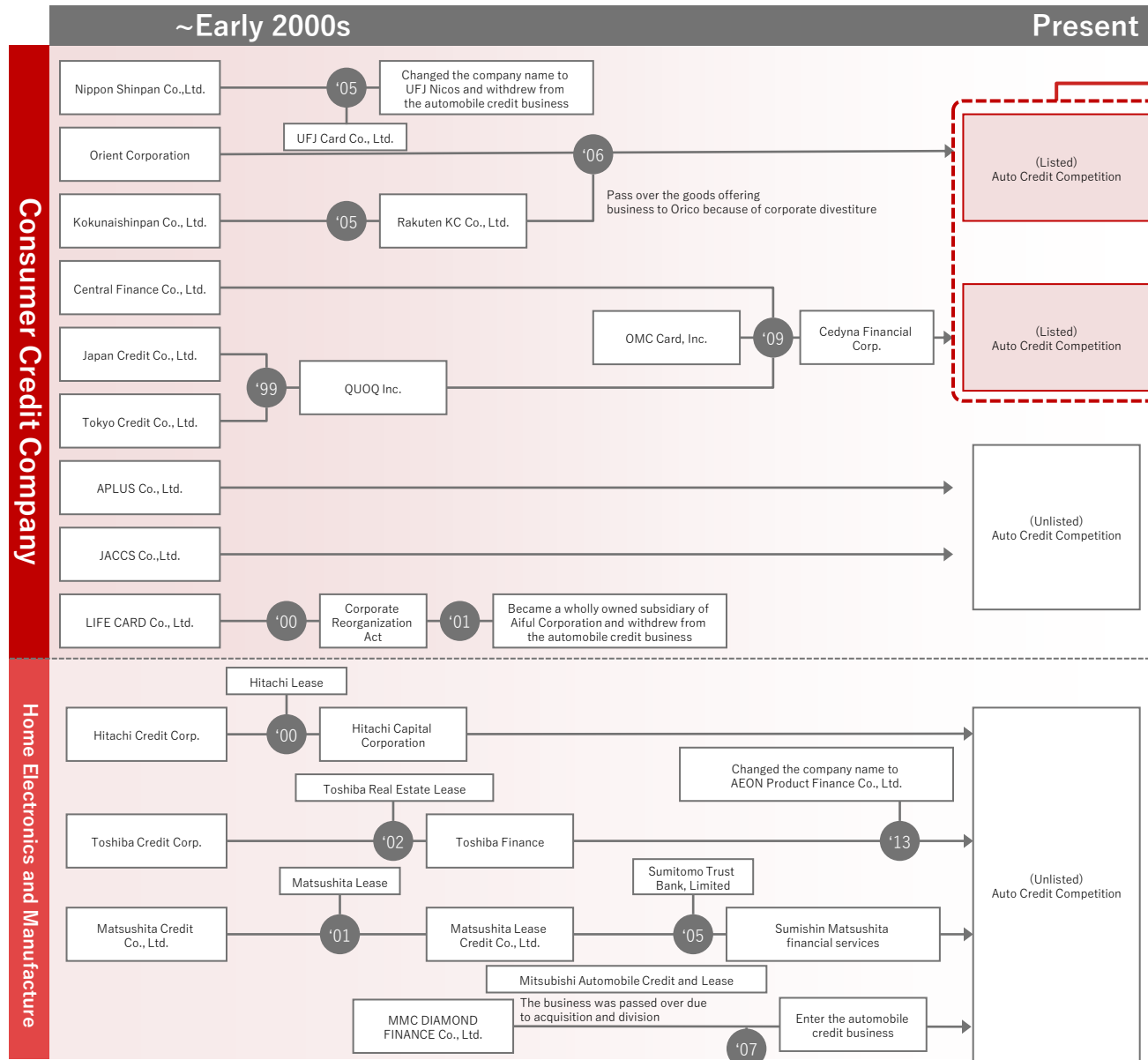
Name	Premium Group Co., Ltd.
Securities Code / Exchange	7199 / Prime Market of Tokyo Stock Exchange
Established	May 25, 2015 Note: 2007: Established Premium Co., Ltd. (Former name: G-ONE Credit Services Co., Ltd.)
Head Office	The Okura Prestige Tower, 2-10-4 Toranomom, Minato-ku, Tokyo
President and Representative Director	Yohichi Shibata
Number of Issued Shares	40,470,570 (As of March 31, 2024)
Capital	¥1,680 million (non-consolidated: as of March 31, 2024)
Number of Employees	796 (consolidated; as of June 30, 2024) (Note) Number of persons employed by the Group excluding temporary workers
Major Shareholders	Capital Research and Management Company: 5.83% Nomura Securities Co., Ltd. (Nomura Asset Management Co., Ltd. and Nomura International PLC): 5.23% (As of March 7, 2024; referencing the report on changes in large volume holdings, etc.)
Description of Business	Businesses in Japan and overseas* <ul style="list-style-type: none">• Car Premium (building a membership organization of automobile dealers and garages)• Finance• Automobile warranty• Auto mobility * Overseas (Thailand, Indonesia, Philippines)

History

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

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

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



There are 3 listed auto credit companies .

Industry trends surrounding auto credit

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

Restructuring of the consumer credit industry is underway.

Features of the Auto Credit Business

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

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

Note: Definition of major companies: Listed companies (including previously listed companies) or affiliated companies of listed companies (including previously listed companies).

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

Strengthening Relationships



Credit Management

Sales Representative in Sight

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

Customer Examination

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

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

Strict Management System

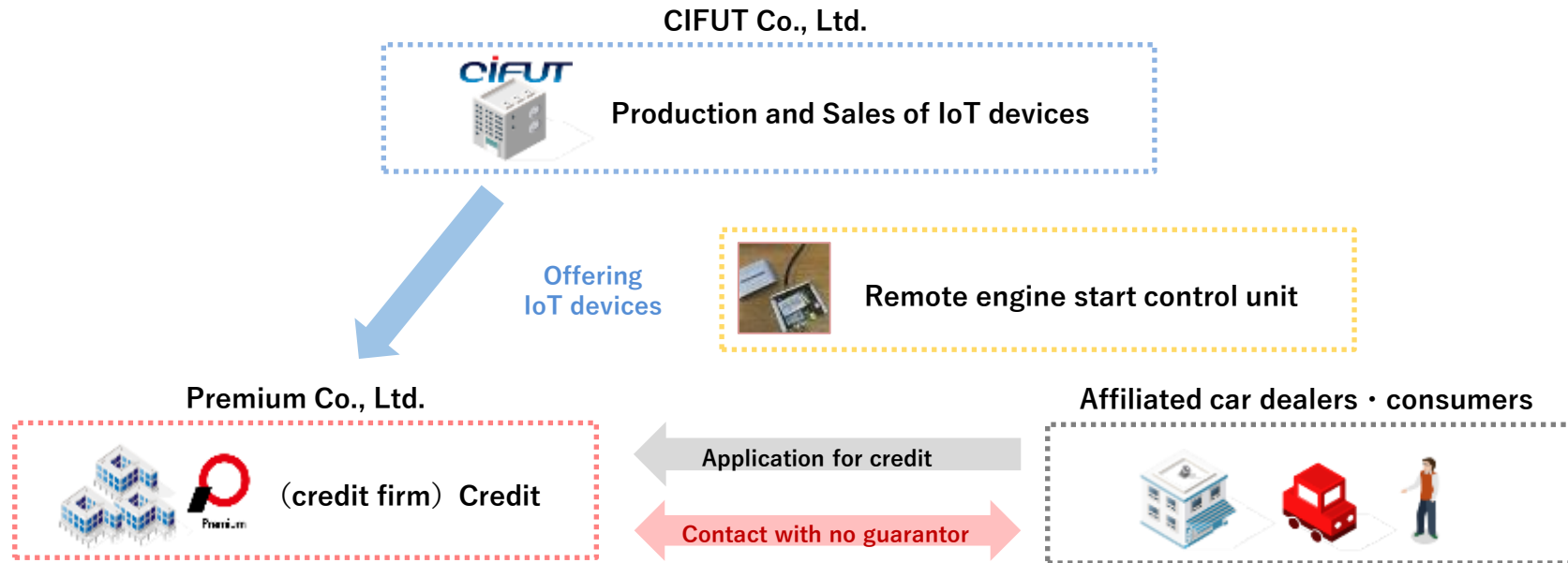
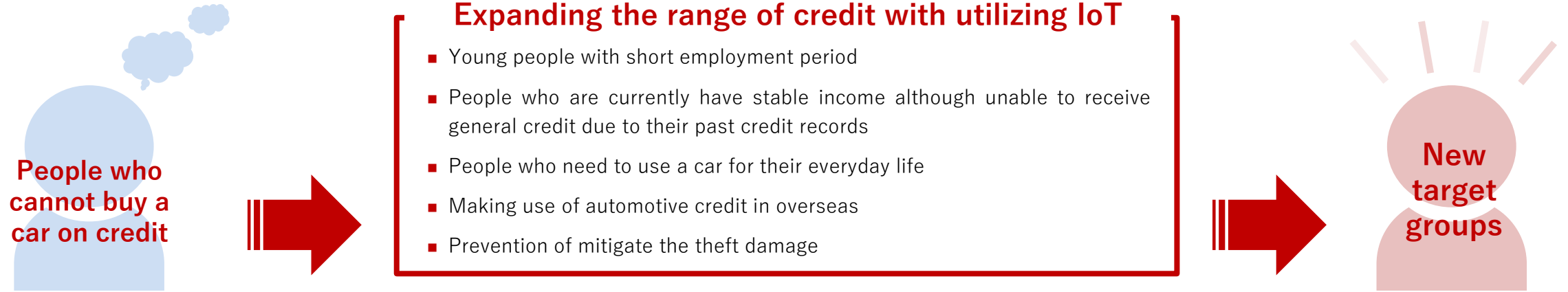
- Quantitative indicators for Affiliated dealers management.
- System to eliminate malicious Affiliated dealer in cooperation with JDM Center.

Debt Collection

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

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

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



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Statements contained herein that relate to the future operating performance and strategy of the Company are forward-looking statements. Forward-looking statements are based on judgments made by the Company’s management based on information that is available to it as of the date those statements were made.

Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies. Many of these risks and uncertainties relate to factors such as future market conditions, currency fluctuations, the behavior of other market participants, the exchange rate, tax system and so on. Therefore, it is possible that business performance will change and the Company is not responsible for loss resulted from this change.

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