Premium

Premium Group Co., Ltd.

Financial Results Briefing for the Fiscal Year Ended March 2020

May 29, 2020

Event Summary

[Company Name]	Premium Group Co., Ltd.
[Event Type]	Earnings Announcement
[Event Name]	Financial Results Briefing for the Fiscal Year Ended March 2020
[Fiscal Period]	FY2019 Annual
[Date]	May 29, 2020
[Number of Pages]	26
[Time]	16:00 – 16:37 (Total: 37 minutes, Presentation: 31 minutes, Q&A: 6 minutes)
[Venue]	Webcast
[Venue Size]	
[Participants]	
[Number of Speakers]	1 Yohichi Shibata President and CEO

Presentation

Moderator: We will now hold a briefing for the fiscal year ended March 2020 for Premium Group Corporation. Today, Mr. Yoichi Shibata, President and Representative Director, will speak to you. The time is scheduled to be approximately one hour until 5:00 PM.

Prior to the explanation, we will introduce some points regarding how we will hold the briefing.

In order to prevent the spread of COVID-19, we will hold this event only online. The video of this briefing will be available on our IR website at a later date.

Also, after today's explanation, we would like to answer any questions you might ask, as much as the time allows. If you have any questions, please send it from the Q&A form on the screen. There is no problem if you send it in the middle of the explanation. We request that you also enter your company name and your name when sending them.

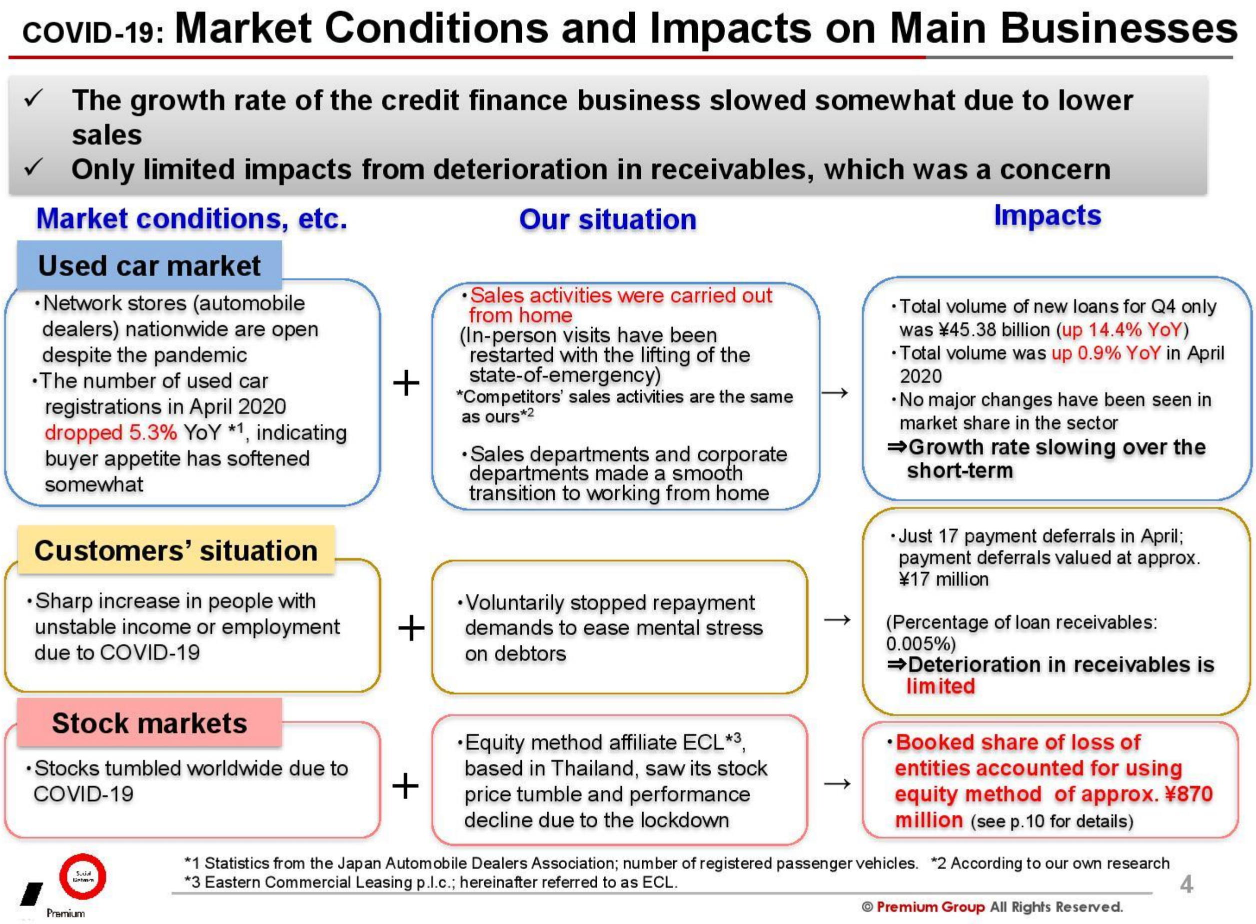
In addition, we will also record the questions and answers, so we would like to ask for your understanding in advance that it will be distributed at a later date along with the explanation.

Now, President Mr. Shibata will start the explanation. Thank you in advance.

Shibata: This is Shibata, Representative Director of Premium Group. Today, we thank you for participating in our financial results briefing. This time, due to the impact of COVID-19, we are communicating on the web. Thank you very much for your understanding.

Now, as soon as possible, we will explain the financial results of Premium Group Co., Ltd. for the fiscal year ended March 2020 based on our presentation material.

First of all, as per our agenda, I will explain the impacts from the COVID-19 pandemic. I will also give an overview of the results for the fiscal year ended in March as well as the forecast for the next fiscal year, in this order.



I will begin by explaining the impact of the spread of the COVID-19 pandemic.

First of all, I will explain the market situation and its impact on our main businesses.

In the credit finance and warranty businesses, which are our main businesses, the current situation is that the growth rate is slowed slightly due to lower sales.

Another point is concern about the deterioration in receivables. We believe that the impact will be limited in this area.

First, the used car market is our main market. Due to the impact of COVID-19, all of the franchisees nationwide are operating. In this sense, our car-sales dealers are not refraining from operation.

In the latest figures, the number of used cars registered in April 2020 declined by 5.3% from the same month of the previous year, and the market situation is such that there is a slight decline in buyer appetite.

In this regard, we are conducting sales activities by working from home. With the declaration of the state-of-emergency, we have temporarily suspended our sales activities, and we are handling sales from promotion by telephone.

Our competitors' activities have been similar. However, as the state-of-emergency has been cancelled by regions since last week, we have resumed some of our business activities.

In addition, not only sales departments but also corporate departments are making a smooth transition to working from home.

With this impact, the total volume of new loans for the fourth quarter of the previous fiscal year was 45.38 billion. As I will explain later, the YoY growth rate of 114.4% is slightly slower than that of the first to third quarters.

Although the market share for April was 100.9% compared with the same period of the previous fiscal year, we believe that the growth rate is slowing in the short term due to the impact of the decline in overall sales.

Meanwhile, here is our customer situation. It is said that there will be a rapid increase in the number of people with unstable income or employment due to COVID-19. This April, we have voluntarily refrained from the act of repayment demands to the debtors in order to reduce the mental stress on them.

As a result, there were only 17 payment deferrals in April. The balance of projects for which payment was deferred due to the impact of COVID-19 will be JPY17 million, so we believe that the deterioration in receivables will be limited.

Also, as for the stock markets, it is not surprising that the COVID-19 issue has led to worldwide simultaneous stock price declines not only in Japan, especially toward the end of March.

There has been this impact, and we also own 25.5% of the shares of Eastern Commercial Leasing in Thailand. Unlike Japan, Thailand is completely locked down, and the sales companies are all closed, so results were sluggish. As a result of this and the decline in stock prices, we recorded JPY870 million as share of loss of entities accounted for using equity method for the previous fiscal year. We will explain the details later as well.

COVID-19: Initiatives for Employees

✓ **We quickly responded using various means to ensure the safety and security for our employees and their families**

▸**Transitioning all employees to working from home, including sales (target ratio of employees working from home: 80%)**
└We have taken the following precautions in case employees need to come to the office.
(1) Use of hotels close to their place of work (within walking distance)
(2) Permission to commute by car (including borrowing company-owned cars)
(3) Two-team shifts to ensure people arrive at the company at different times

▸**Off-work compensation benefits for eligible employees**
└Employees who are pregnant, have a pre-existing medical condition, provide family care, or have children of pre-school or elementary school age, are instructed by the Company to standby at home

▸**Launched "Premium Group's Stay Home Leave"**
└Employees are granted 5 days of special leave to take between April and June 2020 to increase the ratio of employees working from home to more than 80%

▸**Opened offices that are easy to reach from employees' homes**

▸**Handed out masks to employees and their families**

▸**Created logo for promoting social distancing**

▽Social distancing logo

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Social Distance

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SOCIAL DISTANCE
守ろう、大切な命。

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The following is an overview of our Company's initiatives for employees. In response to the COVID-19 issues in April, we have been swiftly implementing various responses based on the premise of the safety and security of our employees and their families.

Almost all employees, including sales, are transitioning to work at home, with the target ratio of employees working from home being 80%, for the two months of April and May.

However, there were some departments, including some call centers, that were inevitably forced to come to the office, so we either shortened the operating hours or used accommodation facilities in the vicinity of the office. Also, commuters were allowed to commute by car, including borrowing company-owned cars. In case there should be a case of infection, we implemented a risk hedge through a two-team shift system to prevent the propagation of the infection.

Thanks to these efforts, at this stage not one of our group employees has been infected. In addition, employees who are pregnant or have pre-existing medical conditions, or are providing family care or childcare, are instructed by the Company to standby at home with off-work compensation benefits.

In anticipation that summer holidays will hardly be available this time, we have granted Stay Home Leave, a special leave to take between April and June, and have opened offices that are easy to reach from employees' homes as satellites. We have handed out masks to employees and their families. Also, for social distancing, we created a new logo to prevent infection as much as possible.

COVID-19: External Initiatives

✓ **Launched social contribution activities for the COVID-19 pandemic**

▸Form "Premium Value Support Project"

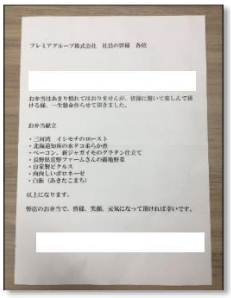
└With the COVID-19 pandemic growing, we launched an in-house project intended to provide assistance and have a positive impact on society wherever possible.

▸Donate masks to medical institutions and governments

└We are providing free surgical masks to healthcare professionals, governments, and employees and their families, mainly to medical institutions providing care to COVID-19 patients.

▸Support restaurants by purchasing takeout

└We have begun supporting restaurants that have seen sales collapse due to COVID-19 by purchasing takeout. Funds used to purchase takeout are borne from the Premium Value Support Project with the meals provided free of charge to essential employees who need to come to the office.



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In addition, as part of our social contribution activities, as “Premium Value Support Project,” since we have a variety of routes with China, we could procure masks and medical supplies at an early stage, and we could send them not only to our group but also to medical institutions in the form of donations.

We also have members who still need to work in the office, so we have been using the above fund to support restaurants that are suffering by ordering boxed lunches. We have implemented these initiatives as well.

COVID-19: Financial Condition and Plan

✓ We plan to increase our cash position for the time being so that we will be able to consider restarting hiring and investments in new office openings after COVID-19

Securing cash on hand and liquidity

Cash and cash equivalents*1	¥6,286 million
Short-term borrowing facilities*2	¥13,000 million

Situation of internal reserves in FY ended March 31, 2020

Retained earnings	¥3,587 million
Future expected earnings	¥26,390 million

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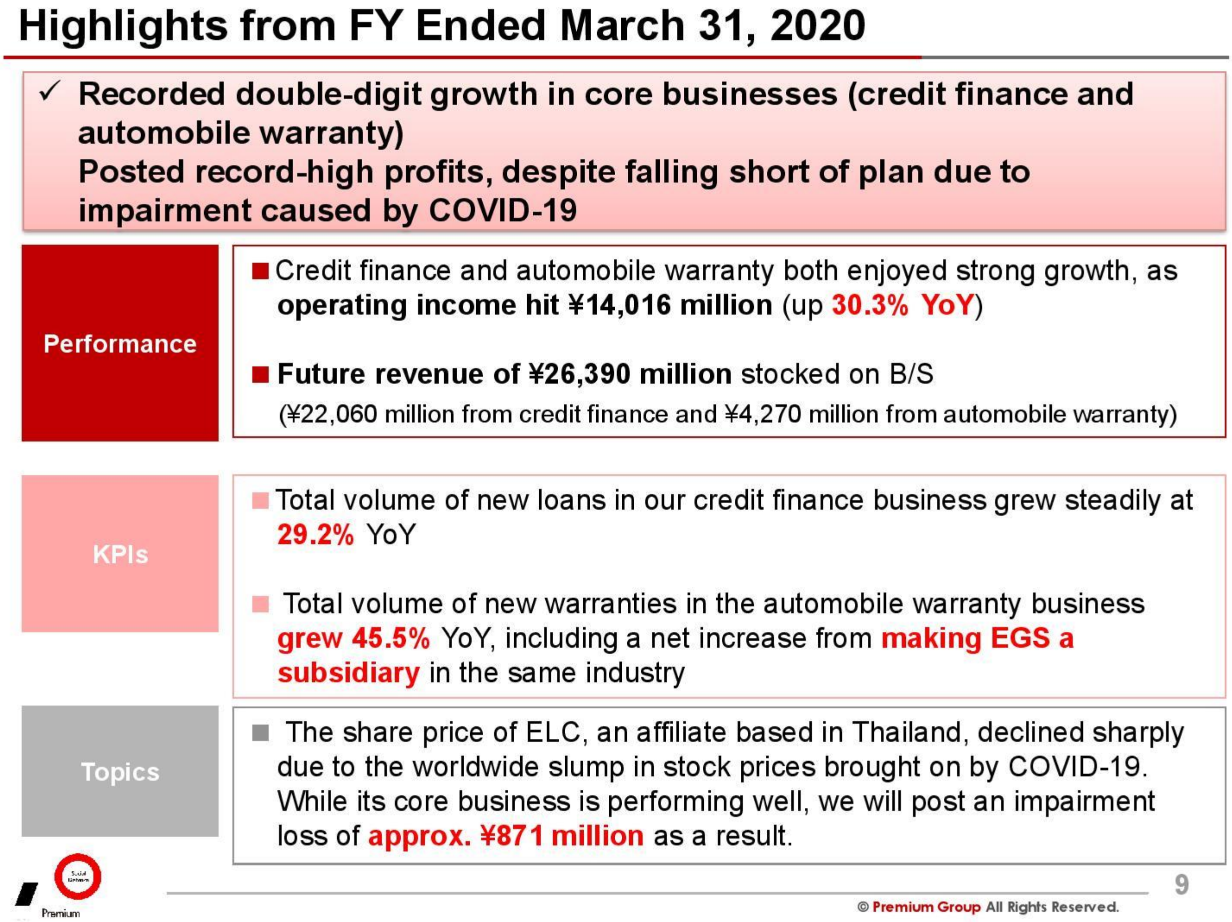
*1 As of March 31, 2020. *2 As of April 30, 2020.

This is regarding the financial condition and plan regarding COVID-19.

First is the hiring of new personnel and opening new sales offices. With regards to this investment, we have adopted a financial strategy that aims to increase our cash position for the time being, based on the idea that the investment will be suspended until the settlement of the situation and resumed after the settlement.

With regards to securing cash on hand and liquidity, we currently have cash and cash equivalents of approximately JPY6.3 billion and short-term borrowing facilities of approximately JPY13 billion. Therefore, we have a sufficient cash position, and we have secured liquidity.

Regarding internal reserves, retained earnings are slightly less than JPY3.6 billion, and future expected earnings that can be generated in the future are more than JPY26 billion. For the time being, we intend to increase this cash position and adopt a financial structure that ensures that internal reserves are securely maintained.



The following is a summary of financial results for the fiscal year ended March 2020.

We have recorded solid double-digit growth in our core businesses. However, as I mentioned at the beginning, with the falling stock prices and the impairment of ECL in Thailand due to COVID-19, the results were negative compared to the plan, but we are confident that we have secured record-high profits.

In terms of performance, both the credit finance and automobile warranty businesses showed significant growth. Operating revenues increased 30.3% YoY to JPY14.02 billion.

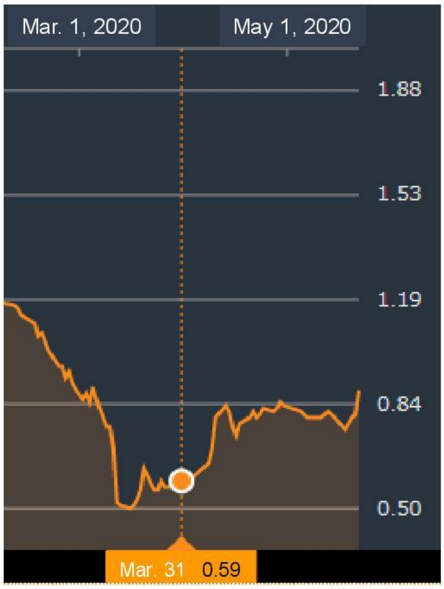
Regarding future revenue, we stocked nearly JPY26.4 billion in BS. In the credit finance business, top-line transaction value was able to achieve stable growth of approximately 30% YoY.

We also recorded a significant YoY increase of 45.5% in the automobile warranty transaction volume, including a net increase resulting from the consolidation of EGS in April of last year.

Details about the impairment loss of affiliated company in Thailand (ECL)

✓ **Impairment (approx. ¥871 million) was booked for ECL, an affiliated company in Thailand, in the financial results for the fiscal year ended March 31, 2020**

- ✓ **The cause was the temporary tumble in ECL's share price following the worldwide drop in stock prices caused by COVID-19**
- ✓ **ECL's business remains strong and it continues to post profits**
- ✓ **Impairment was booked conservatively because of uncertainty about the negative impacts on ECL's performance and temporary weakness in its performance due to the lockdown in Thailand** (which has since been lifted)
- ✓ **Going forward, we will support ECL further, including dispatching a full-time executive officer**



Note: The impairment amount is calculated using the utility value based on future cash flows.

However, unfortunately, due to the impact of the worldwide slump in stock prices caused by COVID-19, the share prices of our affiliate Thai Eastern Commercial Leasing declined sharply, and while our core business is performing well, we recorded an impairment loss of JPY870 million this time.

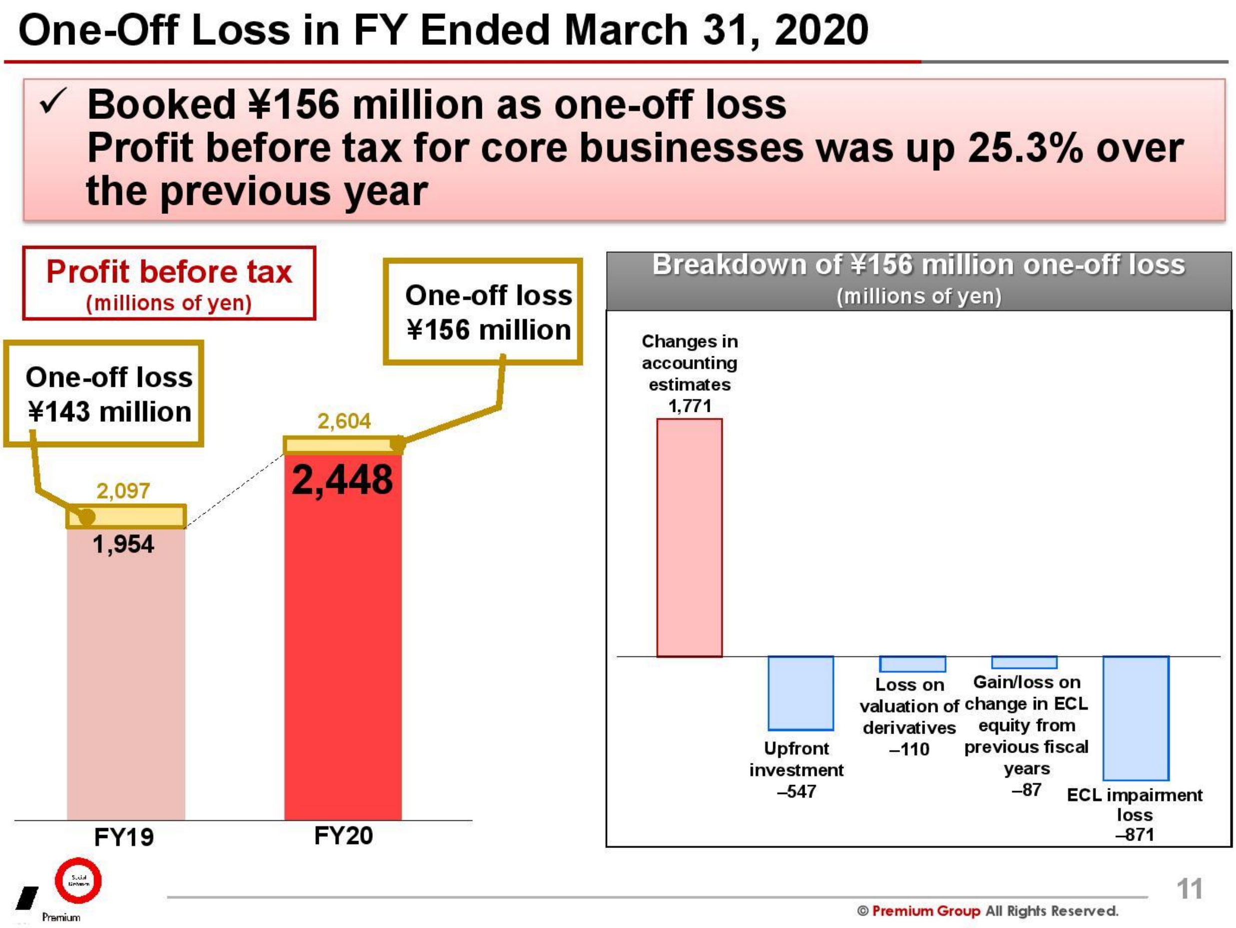
Regarding the impairment loss of ECL, first of all, the stock price of ECL temporarily tumbled due to the worldwide drop in stock price caused by COVID-19. At the end of the previous fiscal year in March, the stock price was THB0.59 per stock, at one time less than THB0.5. However, this is the time when the stock price hit a very poor timing.

Currently, the stock price is trending around THB1, so I think it will gradually rise. This business itself is performing soundly, and it is the same credit finance business as ours, so we are handling it entirely with stock income.

In this regard, we are able to steadily and consistently record profits.

However, in the case of Thailand, unlike in Japan, there has been a complete lockdown, so we have conservatively booked impairment losses because of the temporary weakness in performance or the huge uncertainty of the negative impact in the future.

Going forward, we already have four employees stationed in Thailand, and we intend to further strengthen our support system by dispatching a full-time executive officer.



Meanwhile, this is a one-off gain/loss for the fiscal year ended in March.

This is also explained during the fiscal year, but in the end, one-time gain/loss of JPY160 million was recorded in the previous fiscal year. Profit before income taxes related to our core businesses was up 25.3% YoY, and profit before income taxes related to our main business showed steady progress.

Profit before tax for the year before the previous fiscal year was more than JPY2 billion, of which JPY143 million was a one-time profit, so profit before tax for FY2019, the fiscal year before the previous fiscal year was JPY1.954 billion.

For this fiscal year, we had JPY2.604 billion as profit before tax, but after deducting the one-time profit/loss of about JPY156 million for this term, JPY2.448 billion was the profit of our core businesses.

In this sense, we were able to steadily increase profits in our core businesses as well.

However, with regards to the one-time gain/loss, the impairment portion of ECL was recorded as a loss of JPY870 million compared to the amount originally planned, but as a total, we have recorded a one-off gain or loss of approximately JPY160 million.

Consolidated Performance for FY Ended March 31, 2020

(Millions of yen)

	[Consolidated] FY ended March 31, 2020	[Consolidated] FY ended March 31, 2019	YoY change
Operating income	14,016	10,759	+30.3%
Operating expenses	12,458	10,001	+24.6%
Profit before tax	2,604	2,097	+24.2%
Profit attributable to owners of parent	1,466 Note 1	1,388	+5.6%
Basic earnings per share (yen)	112.33	113.08	–0.7%

Notes: 1. The effective tax rate increased because deferred tax assets cannot be booked for the share of loss of entities accounted for using equity method.
2. Provisional accounting treatment was carried out in the fiscal year ended March 31, 2019 and 1Q of the fiscal year ended March 31, 2020 for the business combination with SOFTPLANNER CO., LTD. executed on October 15, 2018. This accounting treatment was finalized in 2Q of the fiscal year ended March 31, 2020. Figures are retroactively adjusted in conjunction with the finalization of this provisional accounting treatment.

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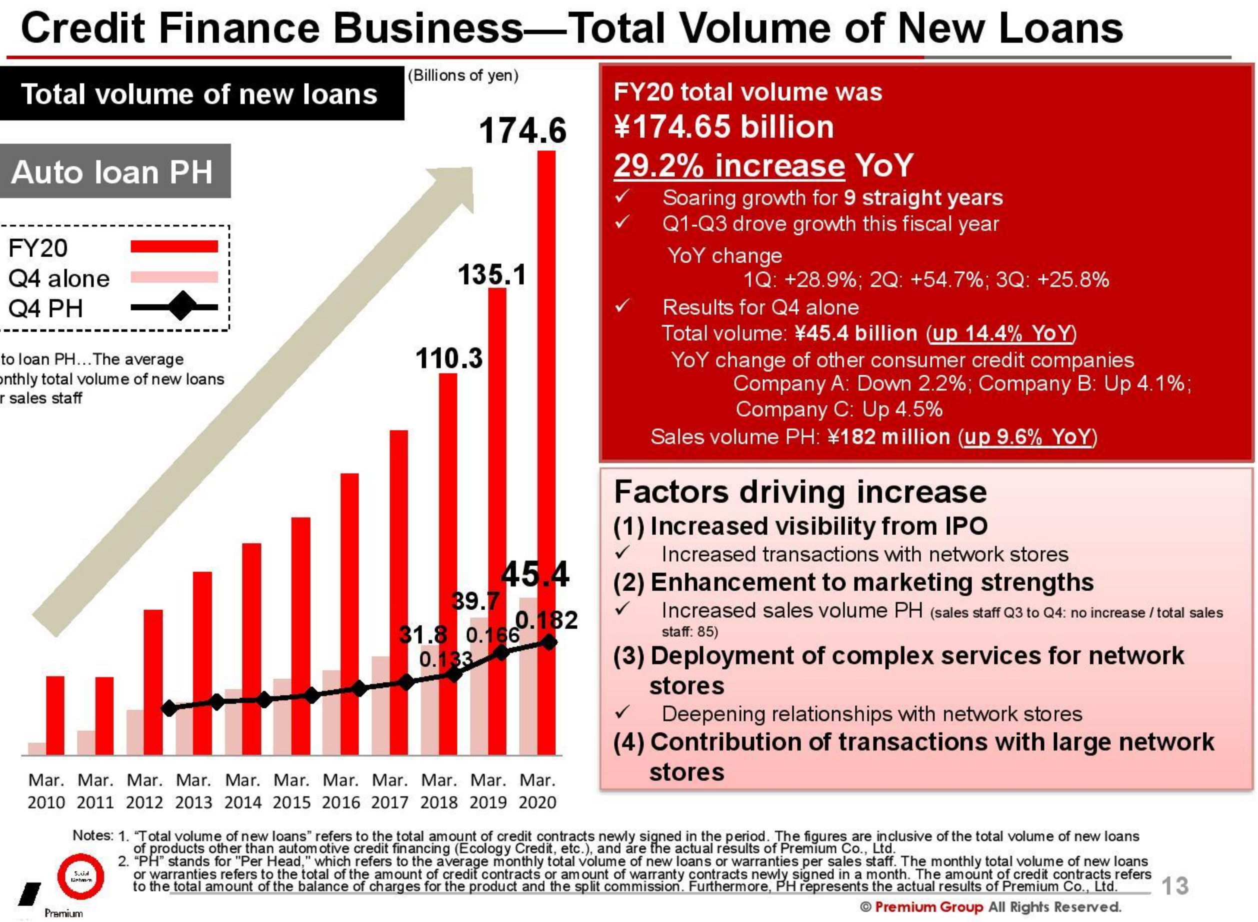
The following is the final consolidated results.

Operating income slightly exceeded JPY14 billion, up by 30.3% YoY.

Operating expenses increased by 24.6% to JPY12.458 billion, income before income taxes increased by JPY2.604 billion, and net income increased by JPY1.466 billion.

As for the fact that profit is slightly lower than the growth rate of profit before income taxes, the tax rate for JPY870 million of the impairment loss on ECL, which I mentioned earlier, changed slightly, so the final effective tax rate rose slightly and the growth rate for this item was lower, but I feel that we were able to firmly secure increases in sales and profits.

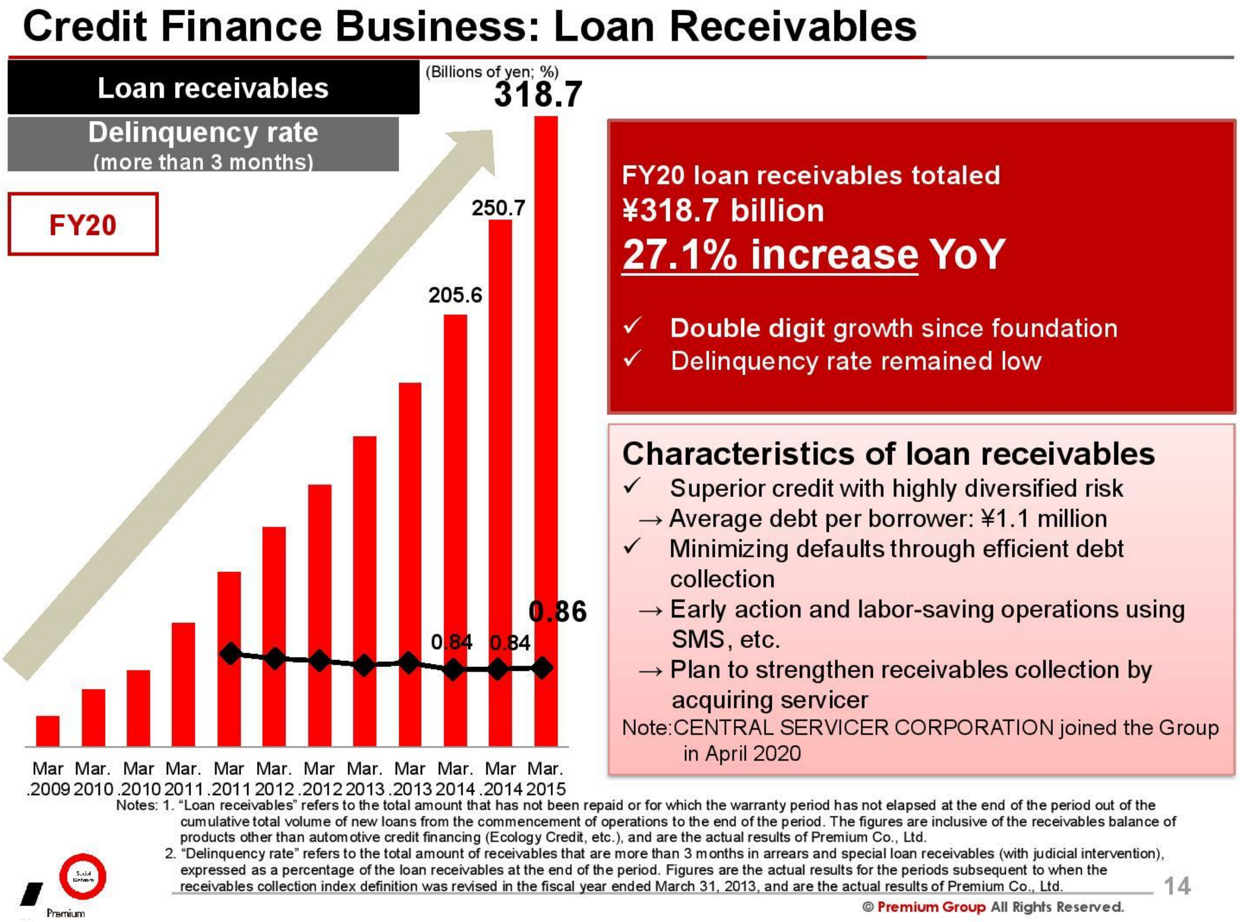


This is the trend in the transaction volume of the credit finance business.

The top line of credit in the previous fiscal year was JPY174.65 billion, an increase of 29.2% from the same period of the previous fiscal year. This year's growth has been driven by 1Q to 3Q. In particular, with regards to 2Q, there has been a significant contribution from the last-minute surge in demand ahead of the consumption tax hike.

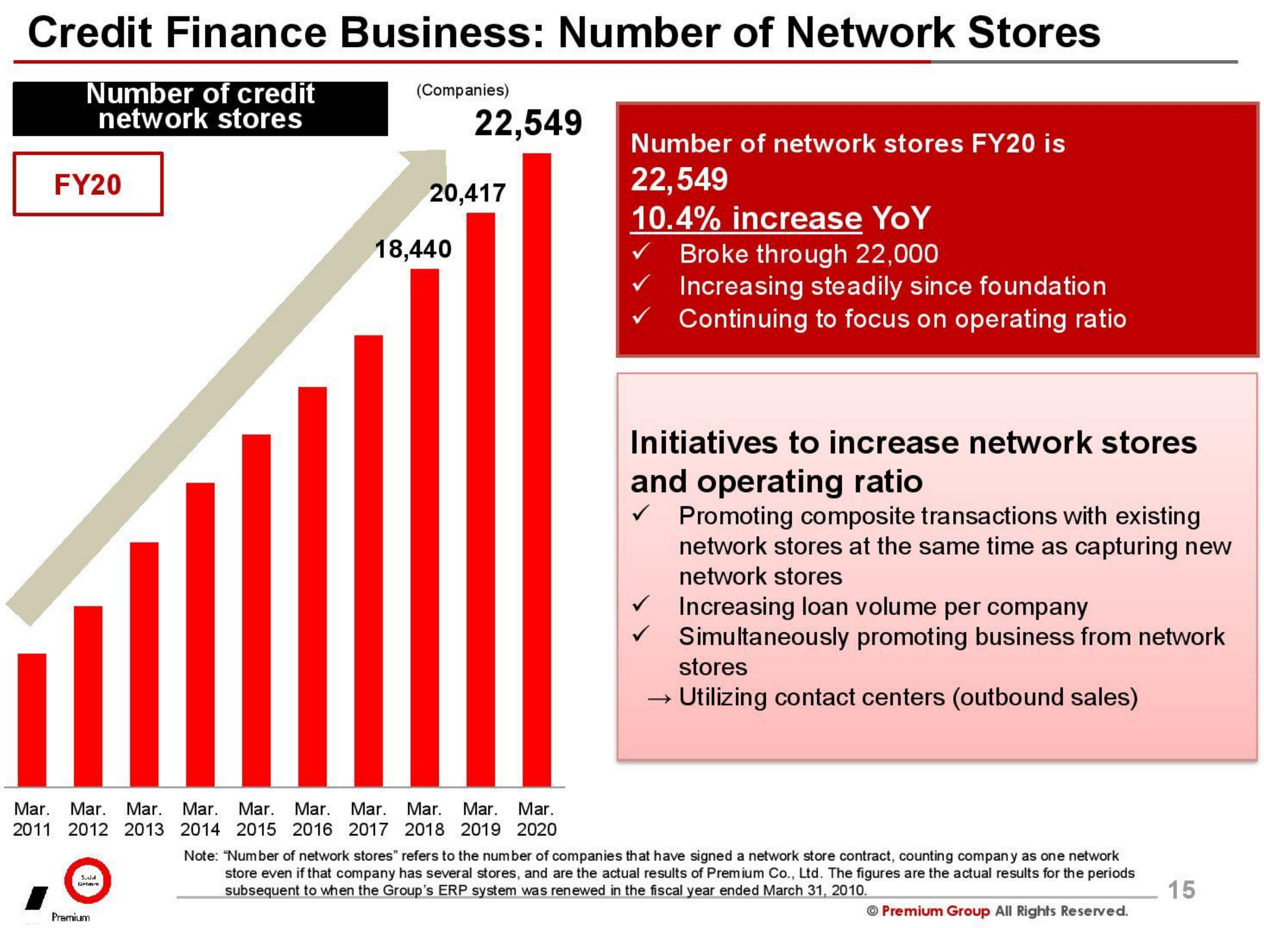
For 4Q alone, there was a growth of about 14.4% to JPY45.4 billion. We are maintaining a positive growth rate of close to 10% compared to the growth rate of the other listed companies of our competitors, so I think we have been able to steadily increase our market share.

Regarding the sales volume par head, it was JPY182 million, and we have not increased the number of sales staff from 3Q to 4Q this time. In this sense, I believe we securely raised the sales volume par head, or the sales strategy we have taken up so far is clearly showing results, and we were able to capture the market share.



The outstanding balance of loan receivables was JPY318.7 billion, an increase of close to 30%, so the outstanding balance grew steadily. The delinquency rate increased slightly. This was not due to any large cause, while it rose to 0.02%, and I think we were able to maintain prime loans in almost all aspects of the loan portfolio.

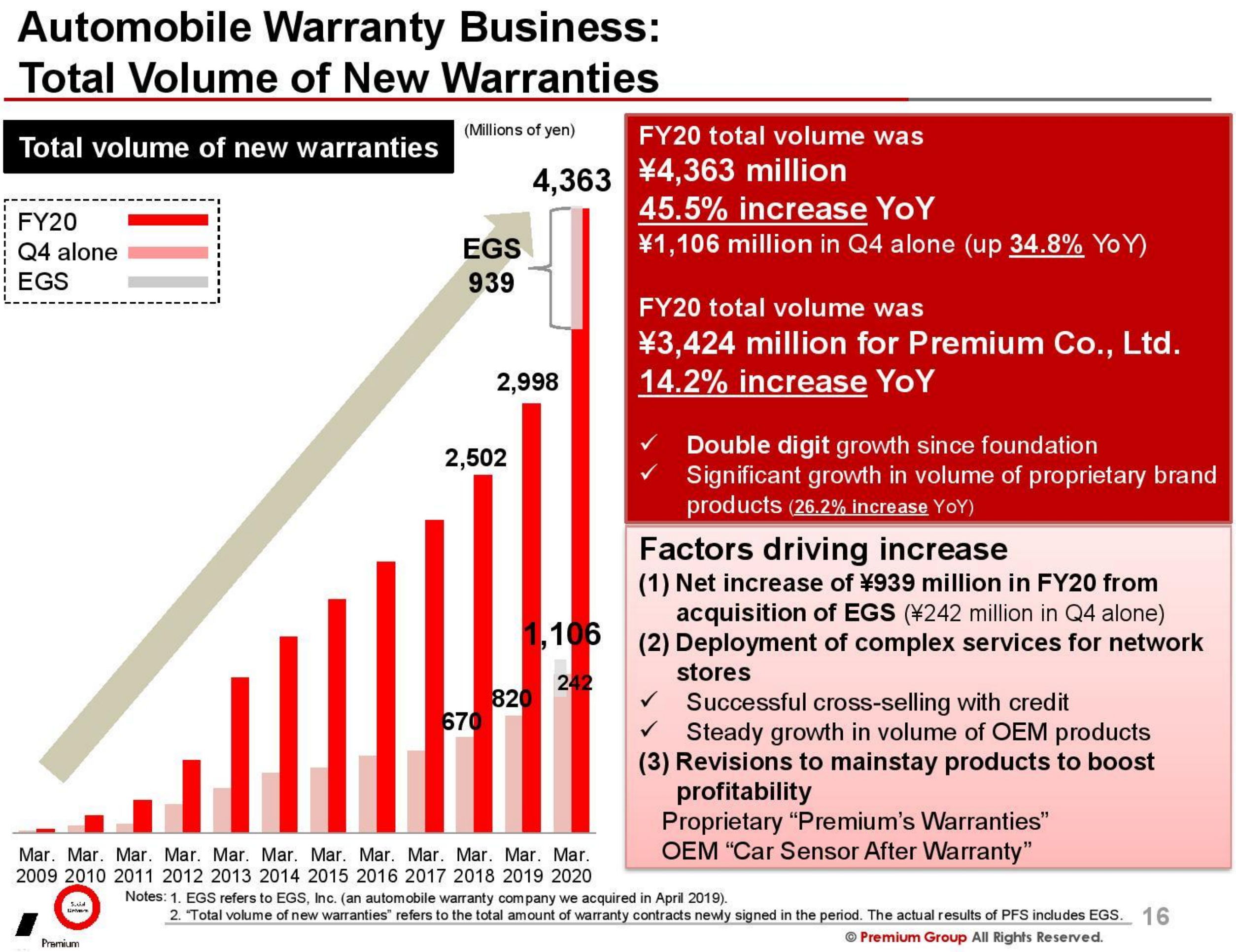
In April, servicing and credit collection company CENTRAL SERVICER CORPORATION became our 100% subsidiary on April 1. We hope to further enhance our credit collection system while developing group synergies.



The number of network stores also increased 10.4% YoY to 22,549 companies, we are also recording a solid 10% growth every year.

Going forward, of course, the Company will work to increase the loan volume per company by promoting multiple transactions among existing network stores, including by expanding the number of network stores and strengthening their operation.

In addition, there are still a number of non-operating stores, so we would like to promote the operation of these stores at the same time.

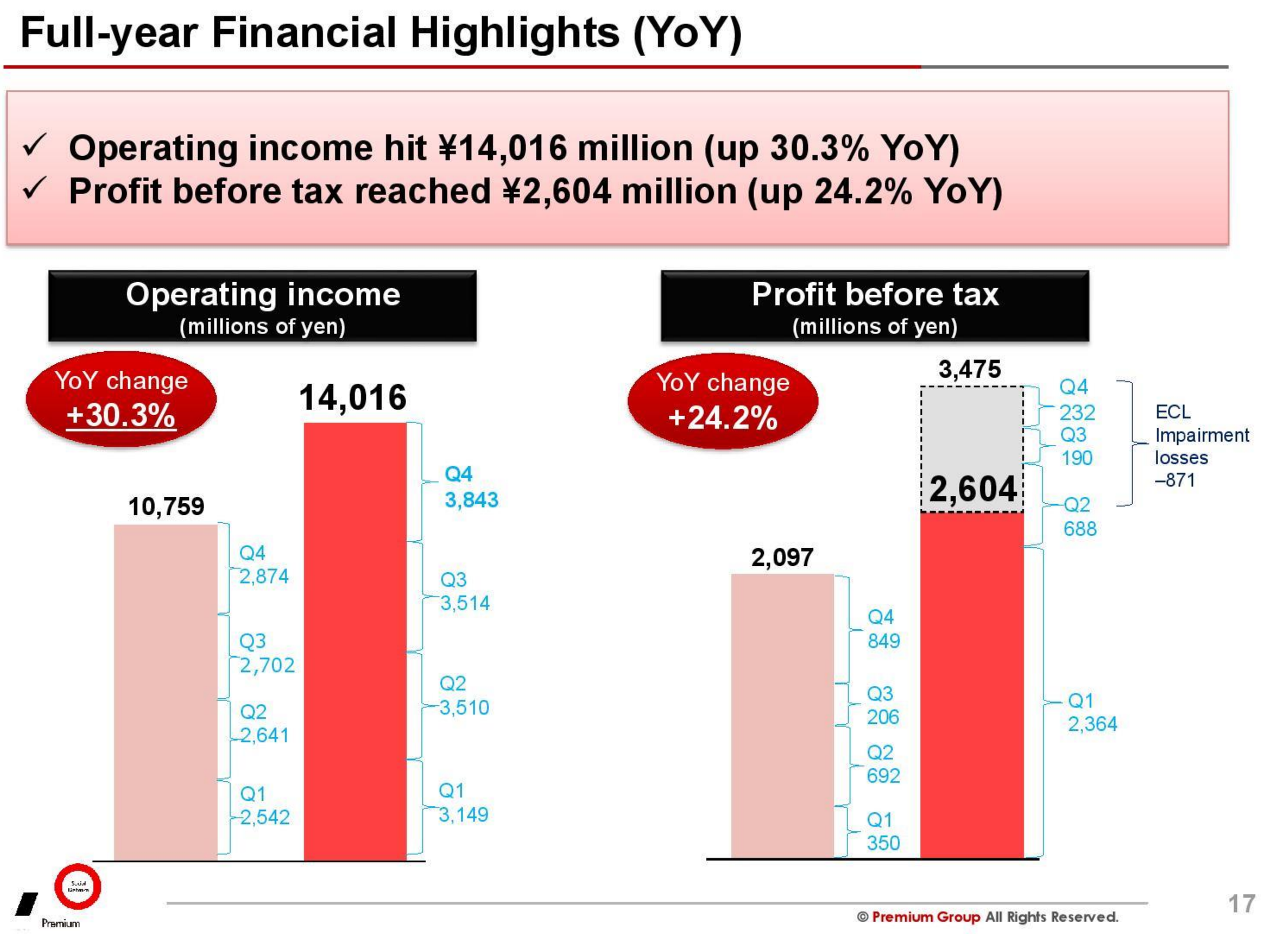


Then, this is the trend in the transaction volume of the automobile warranty business. There was the effect of making EGS a subsidiary, resulting in an overall increase in insurance guarantee premiums of JPY4.36 billion.

This is also a 45.5% increase YoY, and for 4Q alone, by JPY1.11 billion, so this recorded a solid growth as well.

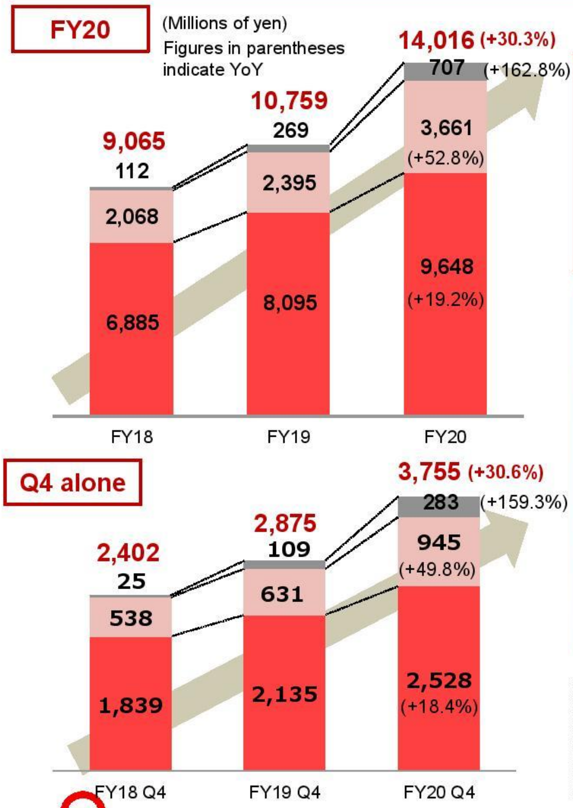
The volume of transactions for Premium on a non-consolidated basis excluding EGS was JPY3.42 billion, a solid increase of 14.2% YoY.

We will continue to promote these two products under the two brands of subsidiary EGS and Premium's warranties. In addition, our strategy for the current fiscal year is to dramatically increase our market share for our own product, Premium's Warranties, while renewing the product as well.



This is a comparison of the YoY changes in the highlights of our financial results. Operating income increased 30.3% YoY, from JPY10.7 billion in the previous fiscal year to JPY14 billion in the previous fiscal year. Profit before tax also increased by 24.2% from JPY2.1 billion to JPY2.6 billion, and there was an impairment loss on ECL, so unfortunately, this was short of the plan, but we would like to firmly solidify our footing and grow.

Operating Income(P/L) by Segment



FY20 operating income by segment totaled ¥14,016 million
30.3% increase YoY
- ✓ **¥3,755** million in Q4 alone (up 30.6% YoY)
- ✓ Steady growth seen in all 3 segments

Profit characteristics of core businesses
- ✓ Room for further profit growth
- ✓ Asset business building balances
  - (1) Stable revenue
  - (2) Little seasonality in performance

Future revenue of ¥26,389 million stocked on B/S (¥22,063 million from credit finance and ¥4,327 million from automobile warranty)

Credit finance | Automobile warranty | Other (Maintenance, Overseas, Software*)

*From Q3 of FY Ended March 31, 2019

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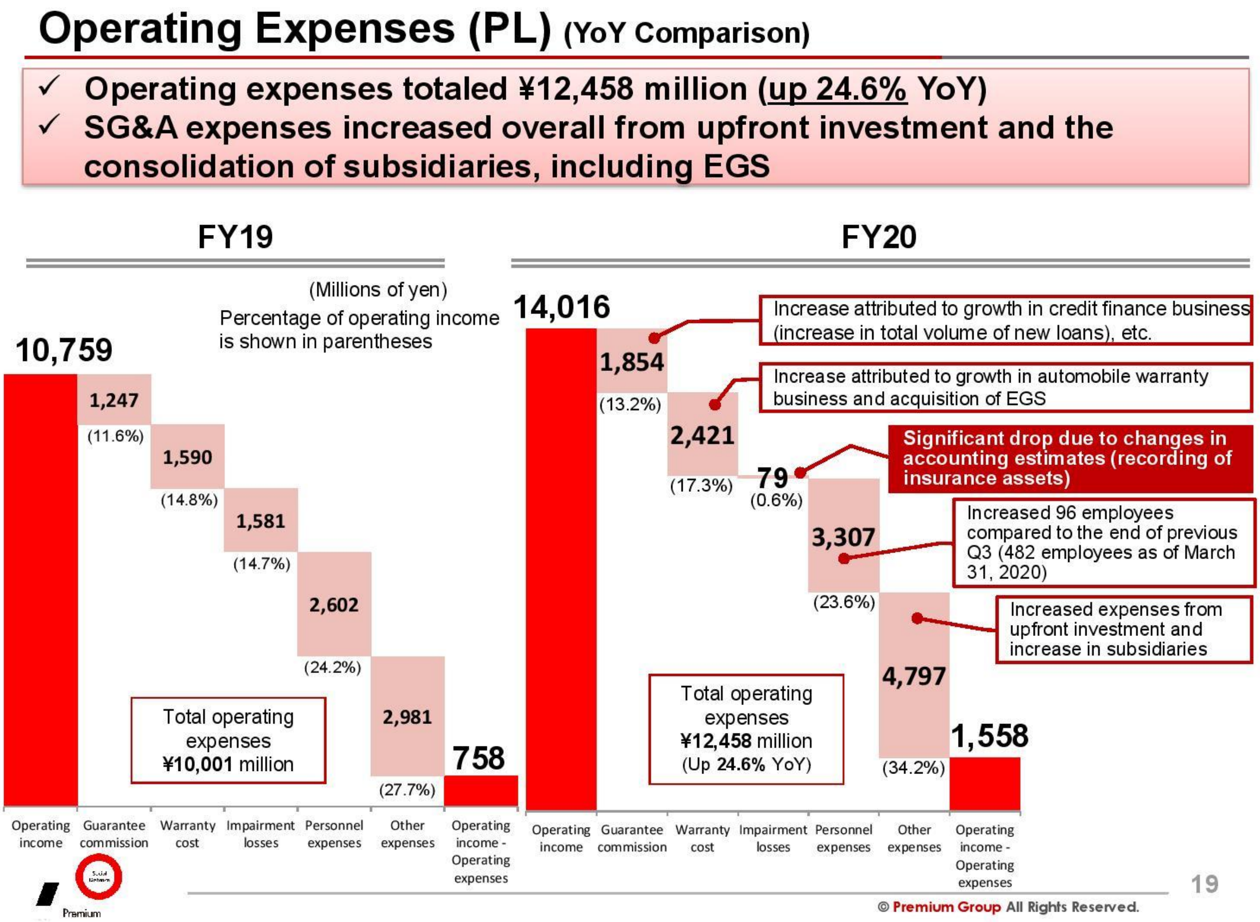
With regards to operating income by segment, all three business segments achieved solid growth, and we believe that stable income can be generated by accumulating assets in the future.

As we have secured JPY26.4 billion in future revenue at the end of this fiscal year, we continue to possess the strength of being able to record this as profits in this fiscal year and beyond.



Regarding the status of operating expenses, if we compare FY2019 and FY2020, there was a slight change in accounting standards and changes in accounting estimates, and the allowance for doubtful accounts has decreased significantly compared to the previous fiscal year.

SG&A expenses increased slightly due to upfront investments and an increase in the number of subsidiaries. In principle, however, costs increased more in line with the growth of core businesses.

Other Topics

Establishment of Premium Mobility Services Co., Ltd. and Premium Auto Parts Co., Ltd.

On January 22, 2020, we established **Premium Mobility Services Co., Ltd.**, which is responsible for auto mobility services, and **Premium Auto Parts Co., Ltd.**, which is responsible for the auto parts business. These two companies form a foundation for providing leading solutions for automobiles.

Announcement of Medium-Term Management Plan

On February 14, 2020, we released our new Medium-Term Management Plan that concludes in the fiscal year ending March 31, 2023.

The plan cites a future vision of **"Transform from an auto credit company into an auto mobility service company."** We are now working on initiatives in each segment toward this goal.

Start of Used Car Leasing

We began offering used car leasing to address the needs of individual customers who want to lease used cars and dealers with the same convenience and peace of mind as new car leasing.

Inclusion of CENTRAL SERVICER CORPORATION in the Group

CENTRAL SERVICER CORPORATION, a servicer with a wealth of experience in the collection of auto loan receivables, joined the Group on April 1, 2020. The company has a nationwide team of investigators and negotiators, which is expected to produce strong synergies with our credit finance.

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With regards to other topics, we announced our Medium-Term Management plan in February. Based on this, we created a Company called Premium Mobility Service Co., Ltd. and Premium Auto Parts Co., Ltd., and we have been setting up these companies along with the announcement of our mid-term business plan in order to achieve solid growth in the field of auto mobility in the future.

We also started leasing used cars as a new product. We also included CENTRAL SERVICER CORPORATION in the group to strengthen loan management and collection. We will not only increase sales by strengthening these divisions, but also solidify our footing in loan collection and develop so as to make the most of the group's synergies.

Review of FY Ended March 31, 2020

Apr. 2019	Relocated the Higashi Tokyo Branch Office in Kaihin Makuhari in Chiba Prefecture to the same office of a Group company for expansion
May	Established a worldwide automobile warranty platform
Aug.	Launched "Premium's Warranties," a proprietary warranty product for used cars
Oct.	Opened Shizuoka Branch Office to expand market share in the Tokai area
Nov.	Added sheet metal and painting facilities to FIXMAN maintenance facilities
Dec.	Acquired shares of CENTRAL SERVICER CORPORATION, a servicer focused on auto credit
Jan. 2020	Received the Woman's Value Award 2019 presented to companies where women can play an active role
	Established VALUE Co., Ltd. to foster enriched human resources who will create a new society
Feb.	Established Premium Mobility Services Co., Ltd. and Premium Auto Parts Co., Ltd. to expand mobility services
Mar.	Began offering used car leasing
	Opened the Shibuya Office focused on back-office operations for automobile warranty

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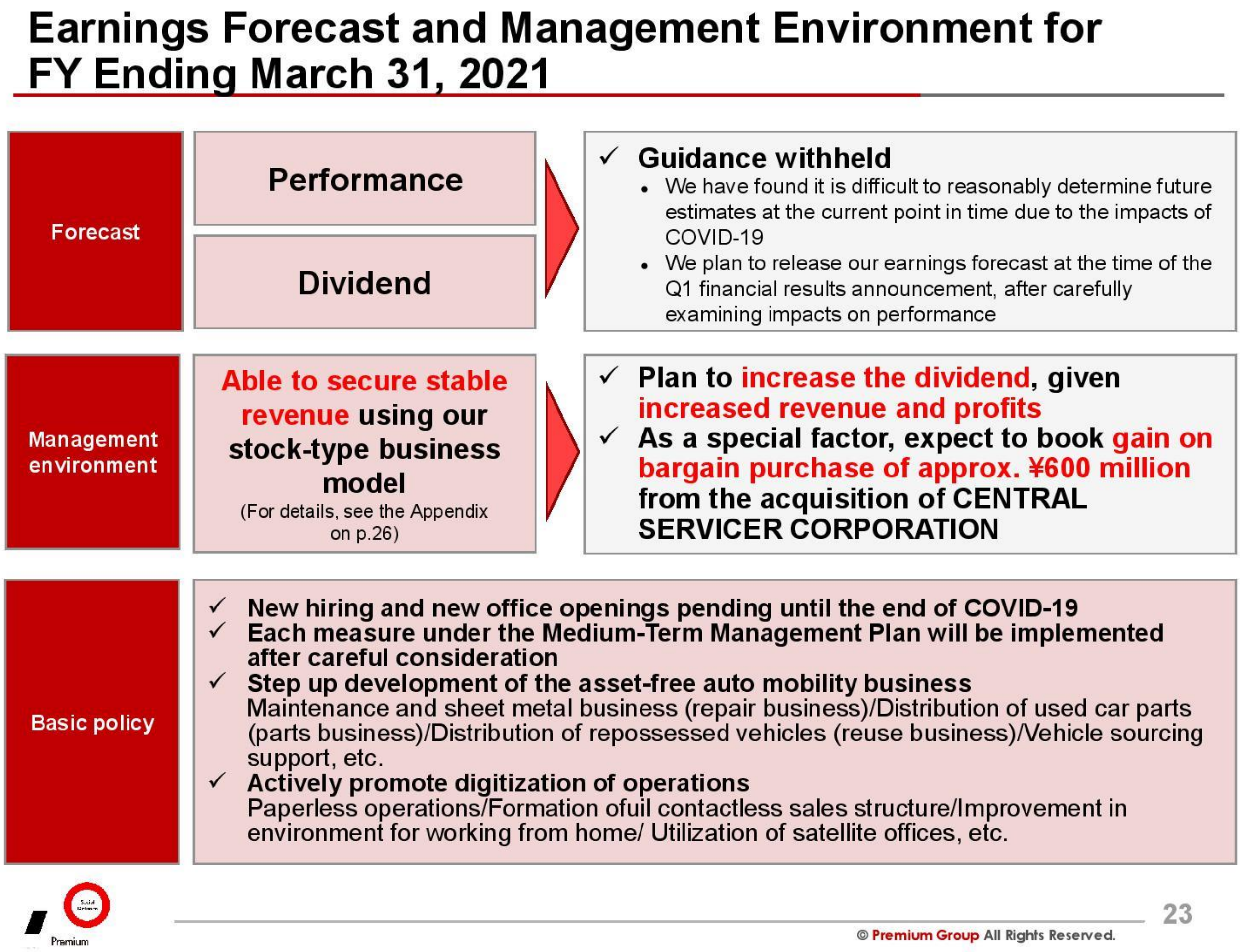
Reviewing March, there was an abnormal situation. Needless to say, looking back, there was something different about our measures. The major parts were due to the unexpected disaster from COVID-19. In the future, we intend to handle this while taking full advantage of these points to incorporate them as our experiences.



Finally, this is the earnings forecast for the fiscal year ending March 2021.

Both performance and dividends have not been determined in terms of the forecasts for the next or current fiscal year. At present, it is difficult to reasonably determine future estimates due to the impact of COVID-19.

However, while carefully examining the impact on performance in the future, we plan to release our earnings forecasts for the current fiscal year at the announcement of our financial results for the first quarter.

At present, the declaration of the state-of-emergency has been lifted nationwide, and it has settled down a little. As we will do with the next management environment, we have a stock-type business model, so we can make a certain profit forecast. There have been forecasts and rumors for the second and third wave in the fall and winter. Since we are unable to fully assess the impact of these developments, there are some difficulties in predicting the top line. Therefore, we have decided not to determine the outlook for the current report because we want to assess the situation rather than come up with uncertain figures.

However, in terms of the management environment, our business model is a stock-type business model, so we believe that we can secure stable revenue. We aim to increase both revenue and profits in the current fiscal year and intend to firmly maintain our policy of increasing dividends.

We also accounted in another release today that, as a special factor, as I mentioned earlier, we expect to book negative goodwill from the consolidation of CENTRAL SERVICER CORPORATION, which we acquired as a 100% subsidiary of the groups on April 1, as a gain on bargain purchase of approximately JPY600 million for the current fiscal year.

We expect this to contribute to profits significantly in the current fiscal year.

In terms of the basic policy for the current fiscal year, in the area of new hiring or our main businesses, we had planned to increase the number of employees by opening new stores. However, at this point, we would like to postpone until this situation of COVID-19 is settled, and we would like to take a new strategy after the settlement.

However, we do not believe that our Medium-Term Management Plan will be affected by the issue of COVID-19, so while we will take a cautious approach to various measures, we will firmly implement our strategies according to the Medium-Term Management Plan.

Among these businesses are the auto mobility business, which is an asset-free business, the maintenance and sheet metal business through a Company called Premium Mobility Service, the distribution business of used car parts, and the distribution business of repossessed vehicles. We have also been commissioned by companies other than us to provide automobile loan collection regarding the servicing company CENTRAL SERVICER CORPORATION. We intend to strengthen our auto mobility business, which is an asset-free business, by providing supports for repair, parts, and reuse, while also considering that repossessed vehicles can also be used for distribution.

In addition, as working from home and digitization have become extremely essential due to the recent situation of COVID-19, we have also experienced a great deal of this, so we will make efforts for paperless operations by systemization of operations, establishing an environment for working from home, or establishing a contactless sales structure. We believe that this will be a major turning point for our business systems, such as the utilization of satellite offices, and we intend to aggressively promote these measures.

Topics for the 5th Ordinary General Meeting of Shareholders

Reference

— Update about this year's meeting —

The format for this year's shareholders' meeting will be changed to a live stream over the Internet. To prevent COVID-19 infections and the further spread of the pandemic, we determined it would be best for the meeting to be held only with the Company's officers; with shareholders' attendance not required.

Date and time	2:00 p.m., Monday, June 29, 2020
Venue	Conference Room at Premium Group Co., Ltd. Head Office 19th Floor, The Okura Prestige Tower, 2-10-4 Toranomon, Minato-ku, Tokyo
Method	Streamed live over the Internet
Convocation notice sending date	Friday, June 12, 2020
How to exercise voting rights and submit questions	Please exercise your voting rights prior to the meeting either in writing or over the Internet. Use the dedicated contact point to submit questions in advance. We plan to answer questions determined to be of interest to shareholders during the meeting.

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Finally, this regarding the fifth Annual General Meeting of Shareholders. How it is held will be changed to live streaming over the Internet in order to prevent the spread of the pandemic.

In this sense, we have determined it would be best for the meeting to be held only with the Company's officers without the attendance of our shareholders, and we would like to begin live streaming at 2:00 PM. on June 29. We would like to ask you for your understanding in this matter.

The above is my explanation.

Question & Answer

Moderator: Let us now move on to the question and answer session.

If you have any questions, please send them from the Q&A form on the screen.

Shibata: Okay. We have received a question.

The transaction volume in April was 0.9% higher than the previous year. Please tell us about the current situation, including the most recent situation. This is the question.

First of all, I feel that the current situation in the credit finance business is somewhat weak. Rather than our share being taken, it was due to the impact of the prolonged nationwide restriction on going out, as the sales contracts of cars could not be concluded, leading to a certain drop in the car sales, representing a weak market.

However, it was lifted in the metropolitan area at the beginning of this week. On Saturdays and Sundays, the number of applications has risen to the same level as the previous year. In this sense, as long as the current situation of COVID-19 is maintained at the current trend, and unless the restriction resumes, we believe that it will gradually increase in the near term.

Moderator: As for the question and answer session, we would like to close in about two more minutes, so if you have any questions, please send them.

Shibata: There seem to be no questions, so I would like to close today's briefing session.

If you have any further questions, you could ask our public relations, IR. We will also continue to hold one-on-one in the current fiscal year.

Regarding Zoom, we can also do it by Zoom. We can also visit your Company, so please do not hesitate to let us know.

Today, we will complete our annual financial results briefing for the fiscal year ended March 2020.

Thank you for your attention today.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked as follows: [Inaudible].*
2. *This document has been translated by SCRIPTS Asia.*

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