Transcript of Financial Results Briefing Video for First Quarter of FY Ending March 31, 2027 (August 10, 2026)

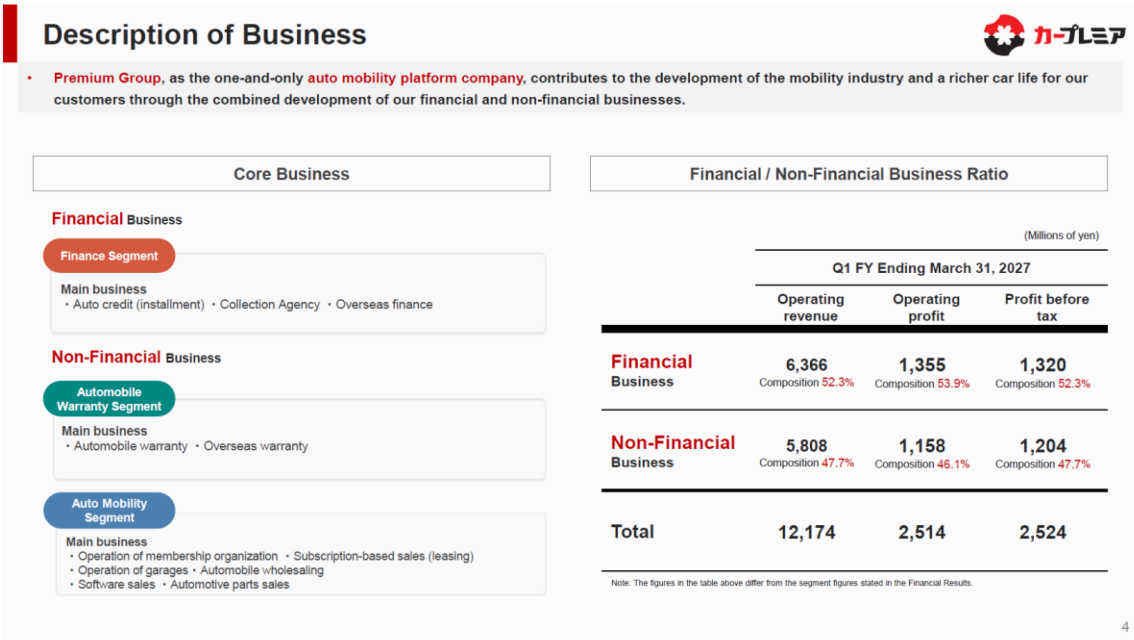
[Speaker] Tomohiro Kanazawa, Director and Executive Officer, CFO, Premium Group Co., Ltd.

Hello, everyone. I am Tomohiro Kanazawa, Director, Executive Officer and CFO of Premium Group Co., Ltd.

Thank you very much for taking time out of your busy schedules to watch our financial results briefing for the first quarter of the fiscal year ending March 31, 2027.

Now, I would like to present the financial results for Premium Group Co., Ltd. for the first quarter of the fiscal year ending March 31, 2027.

First, please take a look at the table of contents. In terms of the overall framework, there are no changes from our previous financial results briefing materials. There are some changes starting this fiscal year, which I will explain in the following slides.

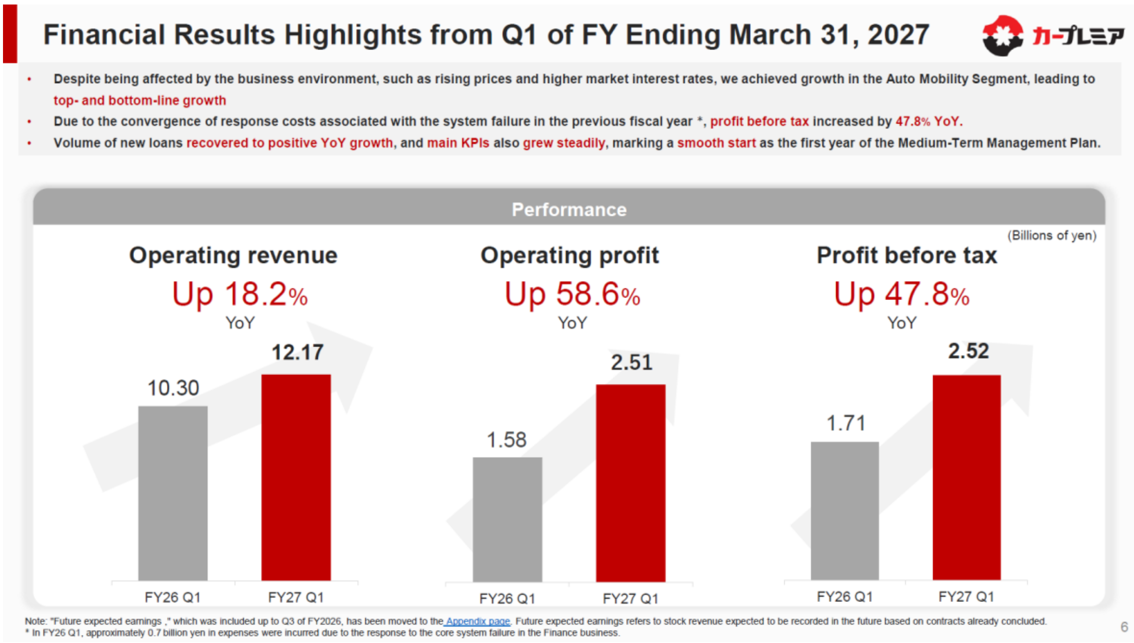


First, let's look at our business overview. We have added a business overview page to the beginning of this presentation starting this fiscal year to help you better understand our Group's overall business.
As stated in the subtitle, our Group is a unique platform company in the auto mobility sector, contributing to the development of the mobility industry and a richer car life for our customers through the combined development of our finance and non-finance businesses.

As shown on the left half of the slide, our business is divided into the finance business, and the non-finance business, which is centered on automobile warranty and auto mobility services.
On the right, we have listed operating revenue, operating profit, and profit before tax. Based on current operating revenue, our finance and non-finance businesses are split approximately 50/50.

Naturally, our policy to grow both of these businesses remains unchanged. On the other hand, as a medium- to long-term target, we intend to accelerate the growth of our non-finance business. We expect the proportion of non-finance business in our operating revenue, operating profit, and profit before tax to increase accordingly.

Ultimately, we aim to be a company that is valued by the market not just as a finance company, but as a platform company in the auto mobility sector.



Next, let's look at the financial highlights for the first quarter of the fiscal year ending March 31, 2027.

First, we are seeing various impacts from the external environment, such as inflation and rising market interest rates. However, while firmly addressing the impact of such external factors, we have closed the first quarter with increased revenue and profit, driven by the growth of our auto mobility services business.

In particular, operating profit and profit before tax have grown significantly compared to the same period of the previous year, due to the normalization of costs related to the system failure that occurred in the previous fiscal year.

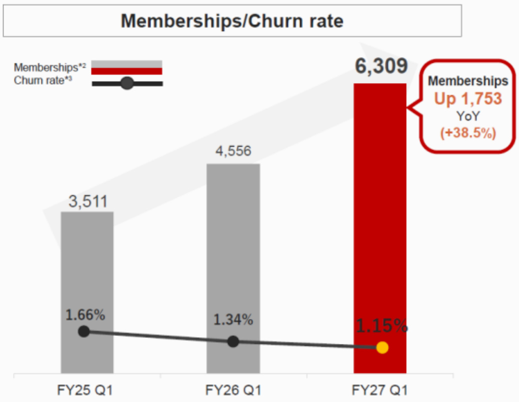
Regarding KPIs, the volume of new loans has recovered to positive year-on-year growth, and other key KPIs are also growing steadily. We believe we have made a smooth start to the first year of the medium-term management plan that began this fiscal year.

Car Premium Club

(Millions of yen/Companies) カープレミア

- Key KPIs for the Car Premium Club, which forms the core of the new Medium-Term Management Plan, (membership fee revenue, churn rate) have been newly disclosed starting from the fiscal year ending March 31, 2027
- Membership fee revenue increased significantly by 39.6% YoY owing to the net increase in memberships and maintaining a low churn rate.
- This strong membership base of Car Premium Club drives the expansion of our ecosystem and robust growth in recurring revenue.

	FY26 Q1	FY27 Q1	YoY change
Membership fee revenue*1	403	563	+39.6%



*1. "Membership fee revenue" is recorded as operating revenue in the auto mobility segment.
*2. "Memberships" refers to the total number of members for Car Premium Dealer (for dealers) and Car Premium Garage (for maintenance facilities).
*3. The "churn rate" is calculated as the average of monthly churn rates (number of cancellations in the month ÷ number of members at previous month's end).

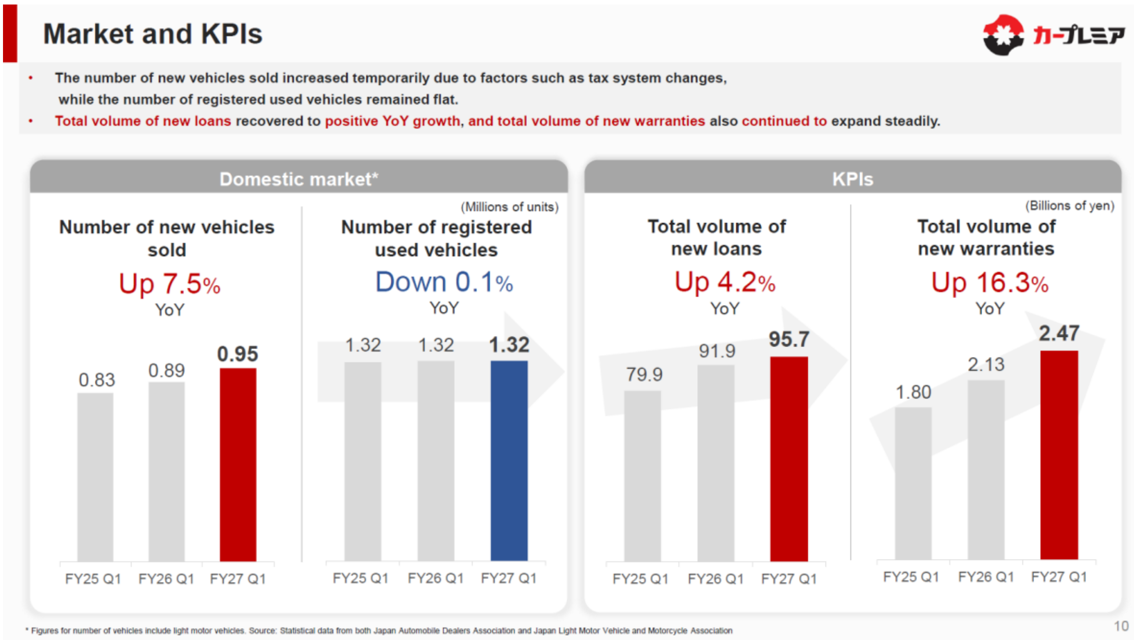
Next, I will discuss the Car Premium Club. As this is a core service within our newly launched medium-term management plan, I have moved this topic to the beginning of the presentation.

As stated in the medium-term management plan, we have started disclosing important KPIs for the Car Premium Club—such as membership revenue and churn rate—starting this fiscal year.

The specific figures are as shown. Membership revenue for the first quarter was 560 million yen, with a churn rate of 1.15%.

Driven by a net increase in members and our success in maintaining a low churn rate, membership revenue saw a significant year-on-year increase of 40%.

We intend to continue driving strong growth in our ecosystem, as well as the revenue and profit that form our earnings base, by further expanding the robust membership base of the Car Premium Club.



Next, I will discuss the market and KPIs. The left side of the slide shows the market, and the right side shows our KPIs.

Regarding the market on the left, we have listed the number of new and used car sales and registrations. As you can see, the number of new car sales has temporarily increased due to factors such as tax system changes. However, the number of used car registrations remains flat, reflecting the current market environment.

Regarding our KPIs on the right, the volume of new loans increased by 4.2% year-on-year, recovering to positive growth.

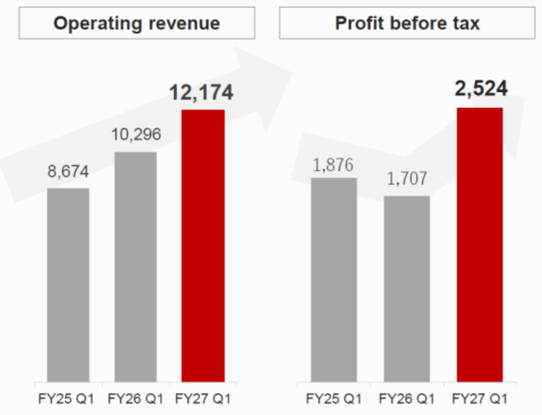
New warranties are also continuing to expand steadily.

Consolidated Performance

(Millions of yen)

- Due to the accumulation of recurring revenue in each business and the growth of the Auto Mobility Segment, operating revenue increased +18.2% YoY
- Response costs associated with the system failure have converged, contributing to a significant increase in profit YoY

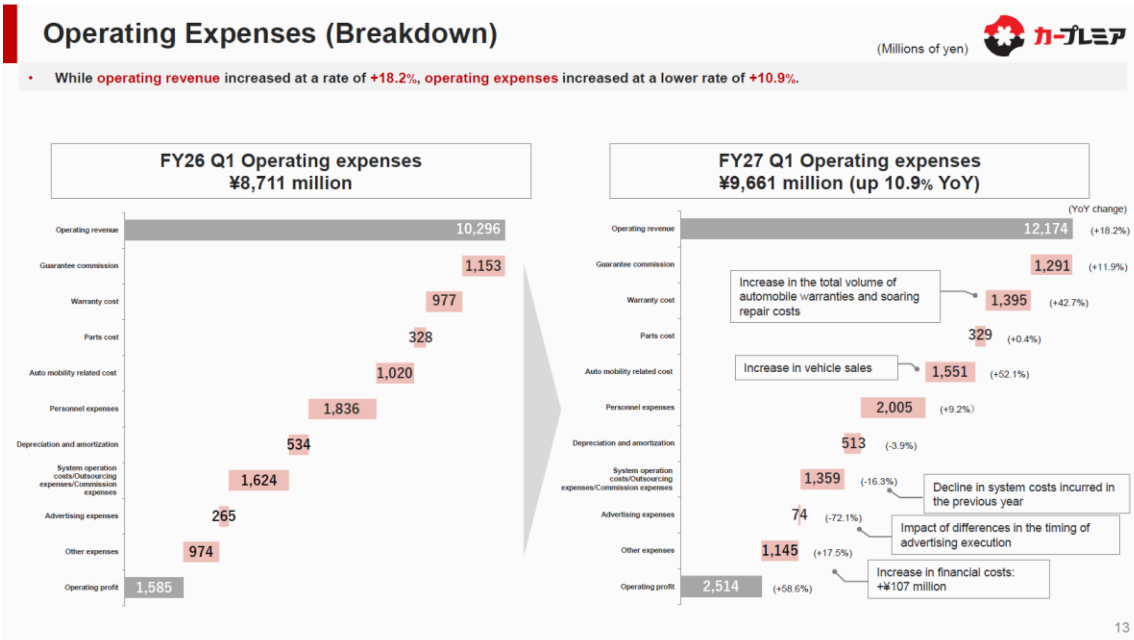
	FY26 Q1	FY27 Q1	YoY change
Operating revenue	10,296	12,174	+18.2%
Operating expenses	8,711	9,661	+10.9%
Operating profit	1,585	2,514	+58.6%
Profit before tax	1,707	2,524	+47.8%
Profit attributable to owners of parent	1,214	1,742	+43.5%
Basic earnings per share (yen)	31.93	44.88	+40.5%



Next, I will provide an overview of the consolidated financial results.

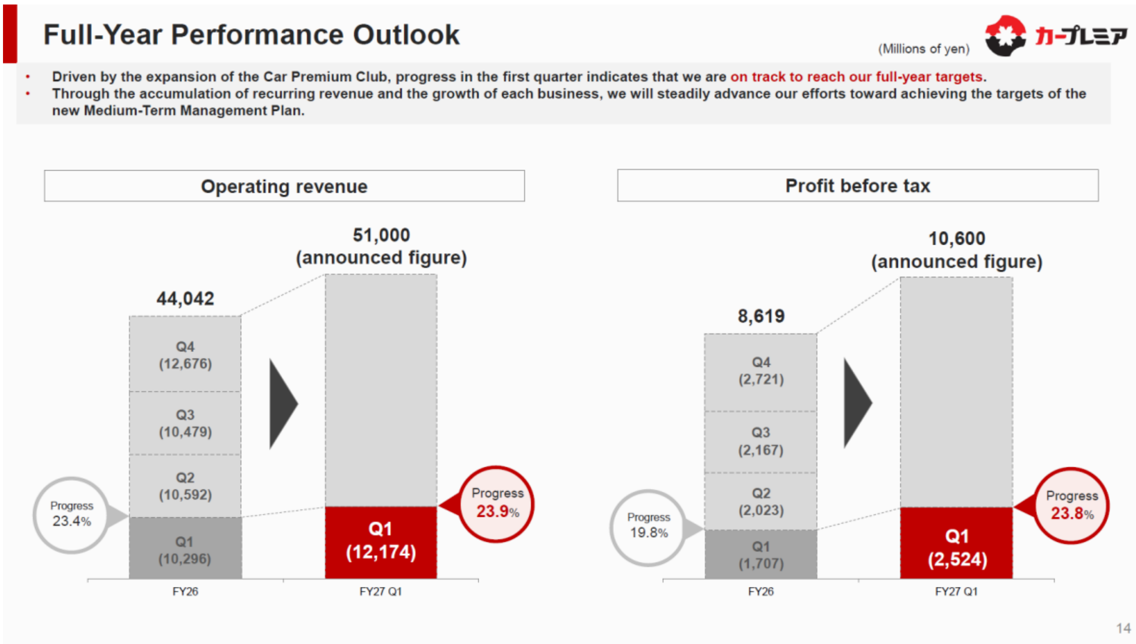
Although there is some overlap with the highlights, operating revenue increased by 18.2% year-on-year, driven by the accumulation of recurring revenue in each business and the growth of auto mobility services.

With the normalization of system failure response costs, we have achieved a significant increase in profit that outpaced revenue growth.



Next, I will discuss the trends in operating expenses. Looking at the Group as a whole, while operating revenue increased by 18.2%, the growth rate of operating expenses was kept at a very low level of 10.9%. Our strong cost control led to the significant increase in profit explained earlier.

The left side of the slide shows operating expenses for the first quarter of the previous fiscal year, and the right side shows those for the current first quarter, with comments in callouts for items with notable changes in growth rates.

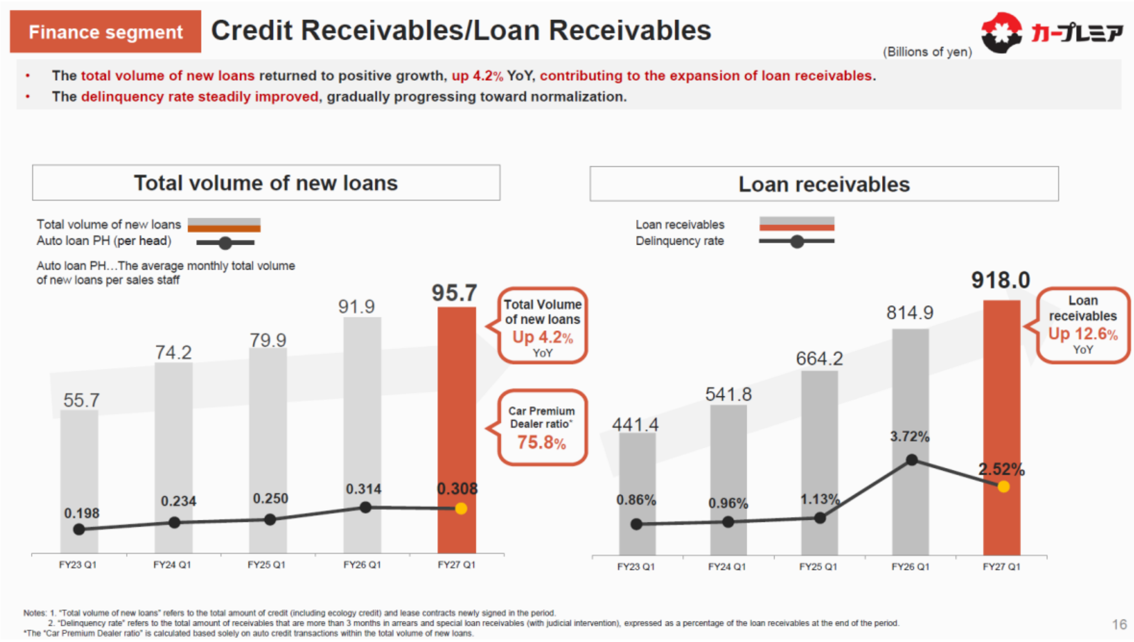


Next, I will explain the full-year earnings forecast. Against the backdrop of the expansion of the Car Premium Club, we believe that the first quarter is progressing steadily toward our full-year forecast.

Specifically, we have achieved 23.9% of our full-year forecast for operating revenue, and 23.8% for profit before tax.

Since we operate a recurring revenue model, we do not believe it is particularly necessary for this figure to exceed 25% at the end of the first quarter.

Therefore, we consider our progress to be well on track. From the second quarter onward, we will continue to work diligently toward achieving the goals of the first year of our medium-term management plan through the accumulation of revenue and the growth of each business.



Next, I will provide an overview of the financial results by segment. First is the Finance Business. The left side shows the volume of new loans, and the right side shows the balance of credit receivables.

The volume of new loans recovered to positive growth, up 4.2% year-on-year. Along with this, the balance of credit receivables has also increased steadily, which has resulted in the expansion of operating revenue.

Meanwhile, the delinquency rate shown in the line graph on the right is improving steadily, and it is trending downward every month toward normalization.

Regarding the ratio of Car Premium Dealers to the volume of new loans, we have included this in the callout of this graph starting this fiscal year, which stands at 75.8%. Approximately three-quarters of the volume of new loans is generated by our Car Premium Dealer members.

This clearly demonstrates that the synergy between the finance business and the mobility business is working effectively.

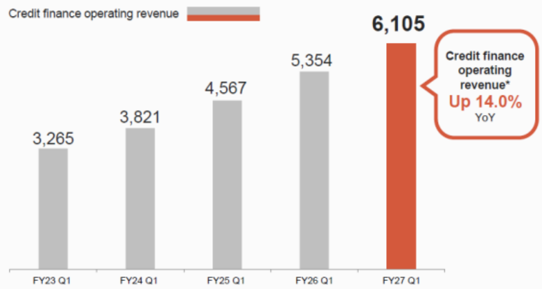
Finance segment

Segment Performance

(Millions of yen)

- Driven by the steady accumulation of loan receivables, operating revenue increased by +9.8% YoY
- Reflecting the convergence of response costs associated with the system failure in the previous fiscal year, operating profit increased by +63.6% YoY

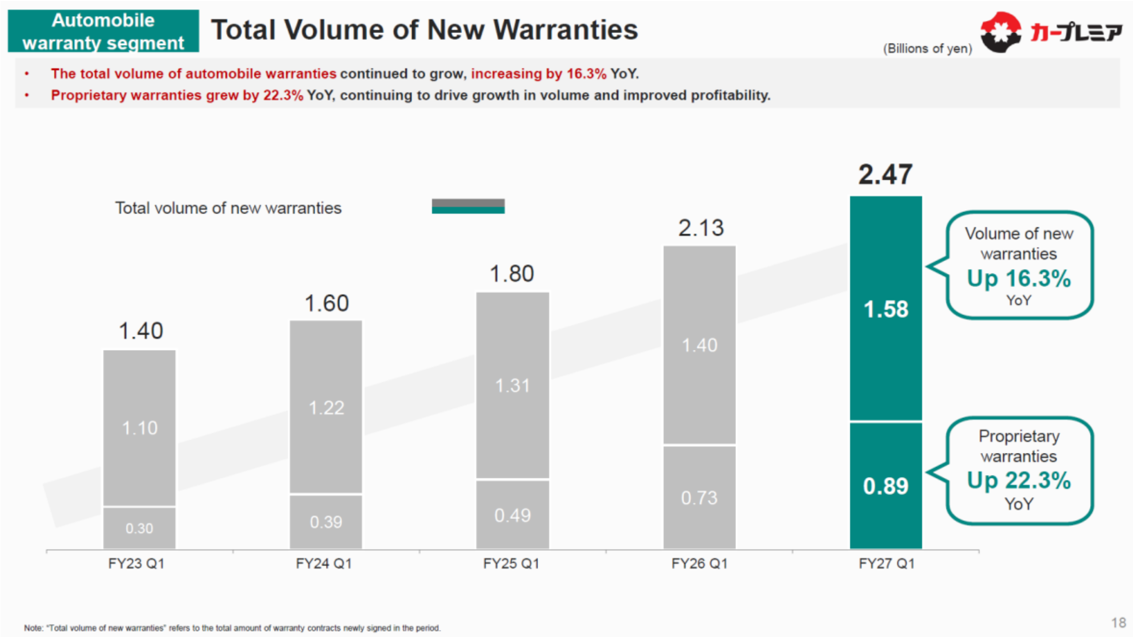
	FY26 Q1	FY27 Q1	YoY change
Operating revenue	5,797	6,366	+9.8%
Operating profit	843	1,380	+63.6%
Profit before tax	853	1,345	+57.7%



* Represents the total of operating revenue related to domestic credit finance.

Note: In light of the impacts it could have on related parties, we have refrained from disclosing certain numerical information from Q4 of FY2026 onwards.

Looking at the Finance Business segment, as shown in the figures, profit in particular has grown significantly.



Next, I will explain the Automobile Warranty segment.

Regarding the trend in New Warranties, the volume has increased by 16.3% year-on-year. In particular, the growth of proprietary warranties remains robust, increasing by 22.3% year-on-year in the first quarter.

We intend to continue leveraging this strong performance in proprietary warranties to drive the overall growth of New Warranties for the entire Automobile Warranty business.

Automobile warranty segment

Segment Performance

(Millions of yen)

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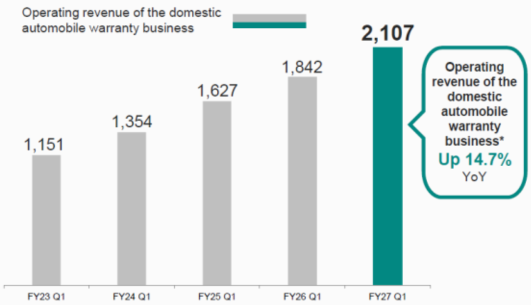
- Due to the steady increase in new warranties, domestic automobile warranty business revenue increased +14.4% YoY
- Although price revisions were implemented, a time lag in the penetration of price increases occurred, preventing the absorption of rising repair costs, resulting in domestic operating profit declining by 3.1% YoY
- From Q2 onwards, we aim to recover profit margins by expanding the top line and controlling costs through parts procurement from group subsidiaries.

	FY26 Q1	FY27 Q1	YoY change
Operating revenue [Domestic automobile warranty business *]	1,889 [1,842]	2,327 [2,107]	+23.2% [+14.4%]
Operating profit [Domestic operating profit *]	358 [361]	419 [349]	+16.9% [(3.1%)]
Profit before tax [Domestic profit before tax *]	391 [385]	471 [397]	+20.4% [+3.2%]



* The operating revenue of the domestic automobile warranty business excludes the results of the overseas business.

Note: From Q1 of FY Ending March 31, 2027, the calculation method for domestic automobile warranty business revenue has been partially changed and is now presented as domestic automobile warranty business revenue.
* Figures for the domestic automobile warranty business exclude the impact of overseas subsidiaries and investments accounted for using the equity method, and therefore differ from the segment figures reported in the Financial Results.

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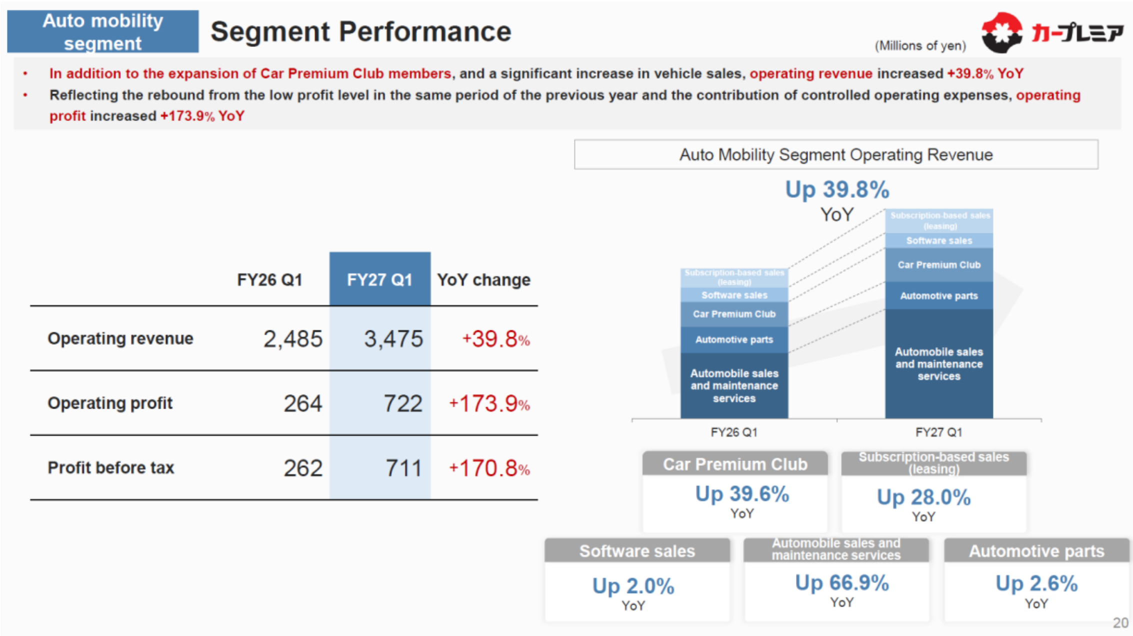
As for the overall performance, segment operating revenue increased by 23.2% year-on-year, and operating profit increased by 16.9%, both showing double-digit growth.

However, our Automobile Warranty operations are divided between domestic and overseas markets. Looking at the domestic side, repair costs are soaring due to the impact of domestic inflation. We have implemented price revisions in response to this, but since there is a time lag for the price increases to take effect, the current situation is that these revisions have not yet fully absorbed the cost increases.

As a result, when looking only at the domestic Automobile Warranty business, operating profit decreased by 3.1% year-on-year.

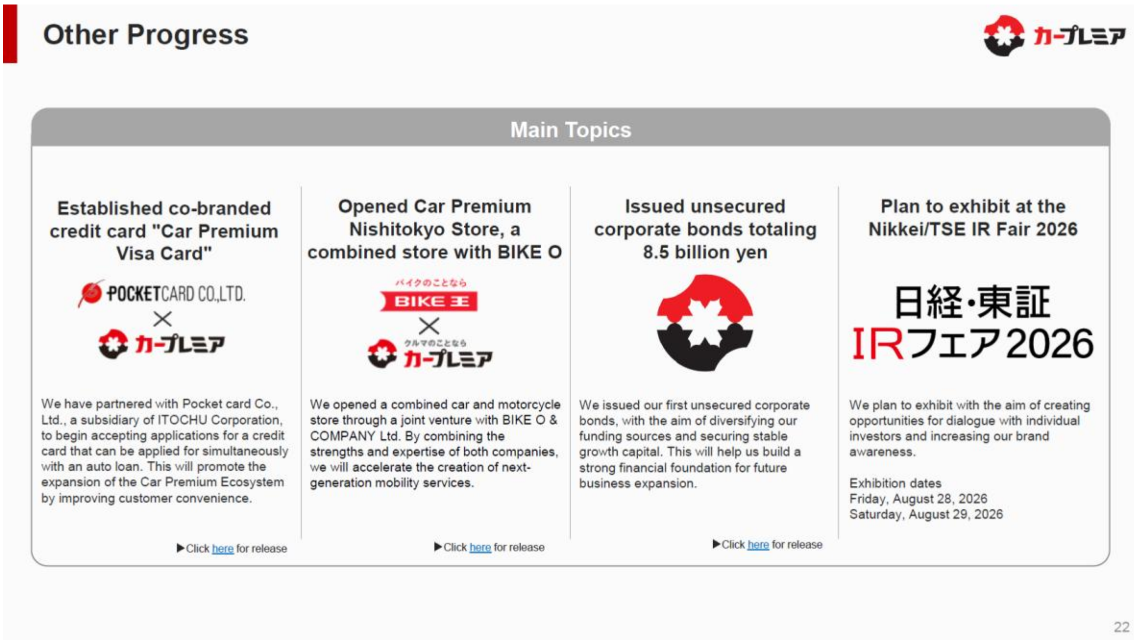
From the second quarter onwards, we aim to recover our profits and achieve further profit growth by expanding our top line and controlling costs through parts procurement from group subsidiaries.



Next is the Auto Mobility Services business. Here, the growth in Car Premium Club membership is progressing as expected.

Vehicle sales have also increased significantly, and operating revenue achieved strong growth of 39.8% year-on-year. Regarding profits, although there is an impact from a lower baseline in the previous year, our efforts to control costs while expanding sales resulted in operating profit increasing approximately threefold.

For the sales growth by service, please refer to the year-on-year comparison at the bottom right of the slide.



Next is the appendix. We have listed four points from what has already been disclosed. I will explain them in order from the left.

First is the launch of the "Car Premium Visa Card." This is a co-branded credit card service launched in partnership with Pocket Card of the Itochu Group. We will promote the expansion of the Car Premium ecosystem through improved convenience.

Second is the opening of the "Car Premium Nishi-Tokyo Store." This is a joint venture with Bike O & Company, featuring a combined store for motorcycles and automobiles. We will accelerate next-generation mobility services.

Third is our recent issuance of corporate bonds. We have issued 8.5 billion yen in corporate bonds. This has secured a direct means of financing and allowed us to build a robust financial foundation to support future business expansion. We intend to continue issuing them on a regular basis.

Finally, we are scheduled to exhibit at the Nikkei/TSE IR Fair on August 28 and 29. We would be delighted if you could visit us.

This concludes the financial results presentation for the fiscal year ending March 31, 2027.
Furthermore, if there were any points lacking in today's explanation or if further clarification is required, we are available for individual meetings with institutional investors and analysts.

Please contact us via the IR inquiry form on our website.
Thank you for your attention today.