

Medium-Term Management Plan

Change & Prove 2030

Resolved for **Change**, **Proof** of Being One of a Kind.



カ-プレミア

TSE Prime Section: 7199
Premium Group Co., Ltd.

Message from the President

Resolved for Change, Proof of Being One of a Kind.

Small and medium-sized auto mobility providers, which account for approximately 50% of Japan's used car retail market, currently face a challenging business environment characterized by oligopolization by major capital and intensifying interest rate competition.

Since its founding, Premium Group has walked alongside and grown with these businesses as their partner.

The company has delivered 17 consecutive years of revenue growth since its founding, with nine straight years of record top- and bottom-line growth since its IPO. They are proof that the services we provide have become deeply rooted as indispensable business infrastructure for auto mobility providers.

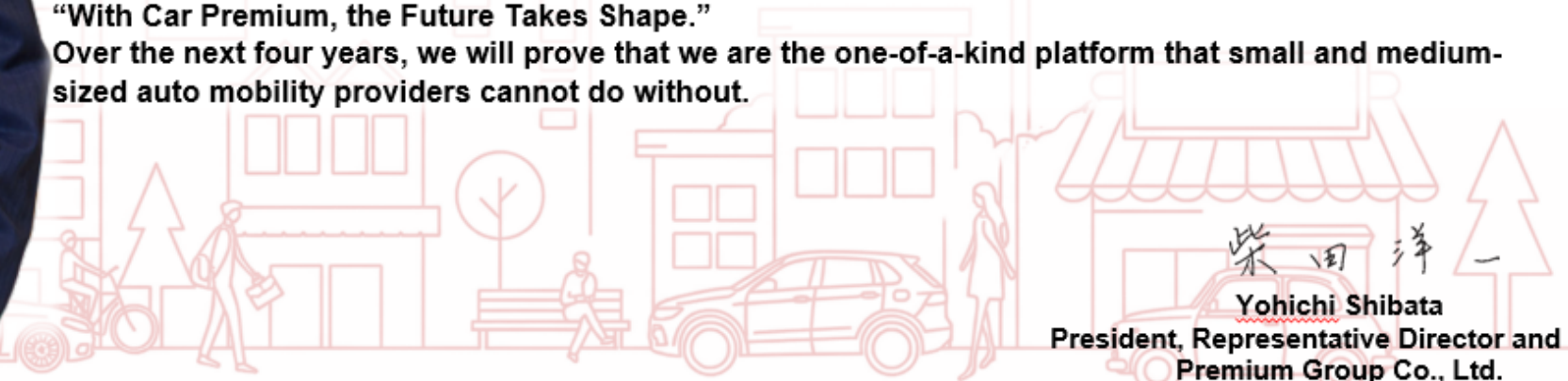
However, we have no intention of resting on our laurels.

Under our new medium-term management plan (MTP), Change & Prove 2030, we are committed to breaking free from our existing frameworks with resolve for change.

The Essence of Our Business lies in a high-profitability model centered on membership fees, which are not affected by interest rate trends, and automobile warranty, a recurring revenue business. Building on this solid foundation, we will complete the "Auto Mobility Ecosystem," which provides users with the utmost peace of mind and offers auto mobility providers the infrastructure essential for their operations, and transform into a one-of-a-kind Car Premium Ecosystem.

"With Car Premium, the Future Takes Shape."

Over the next four years, we will prove that we are the one-of-a-kind platform that small and medium-sized auto mobility providers cannot do without.



柴田 洋一

Yohichi Shibata
President, Representative Director and CEO
Premium Group Co., Ltd.



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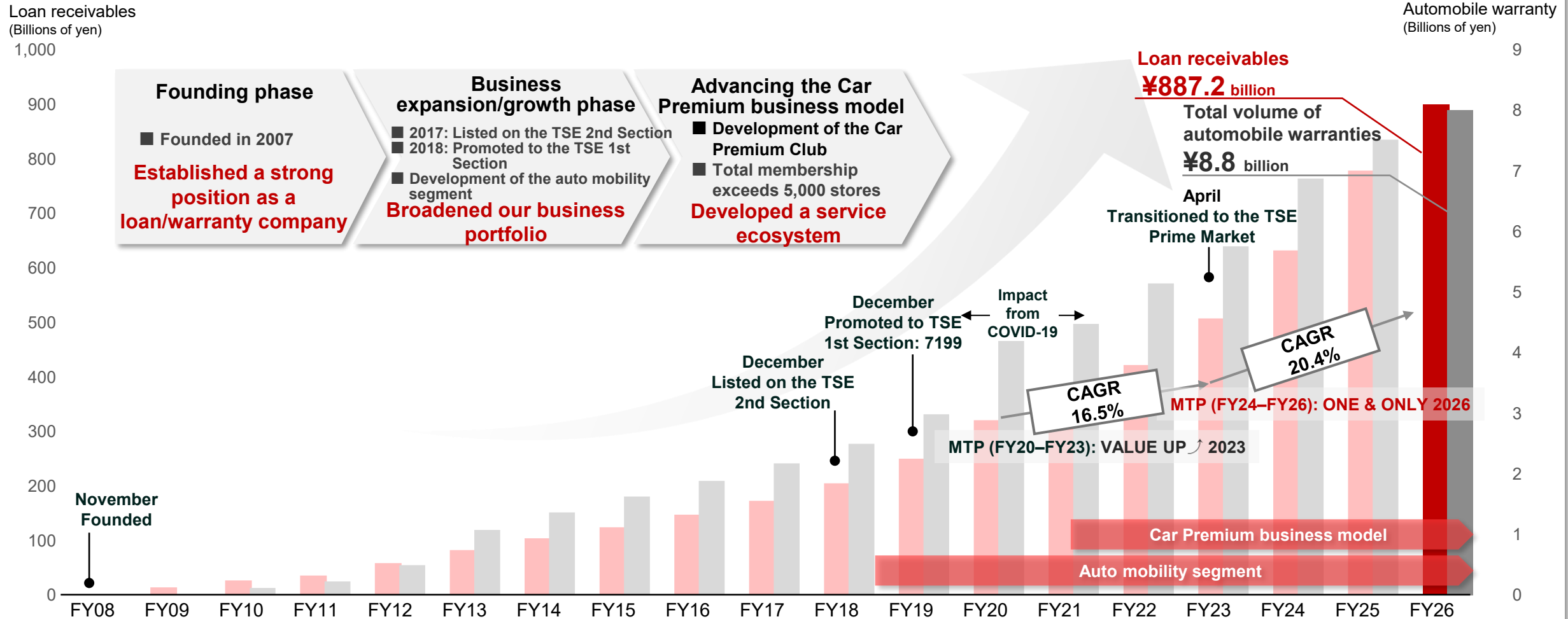
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Tracing Our Past Growth

Tracing Our Past Growth: Business Expansion

Through initiatives in the Car Premium business model, we have continuously expanded our market share in core credit and automobile warranty services

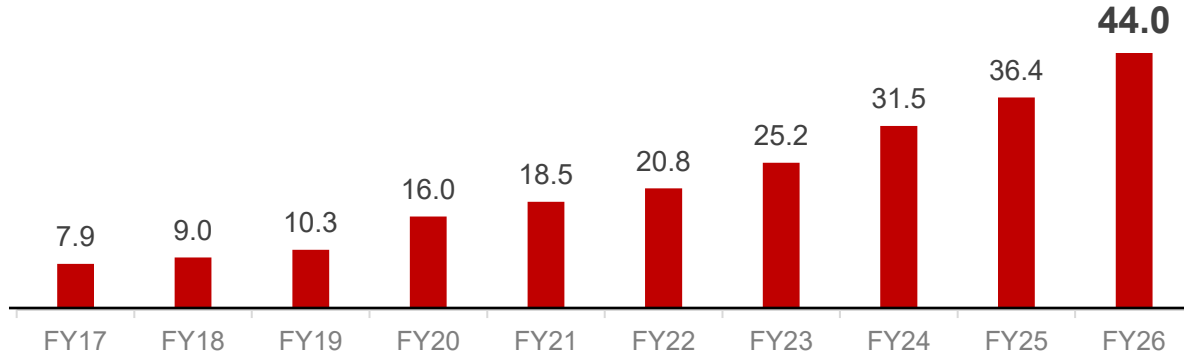


Tracing Our Past Growth: Performance

Continued steady growth and maintaining high ROE

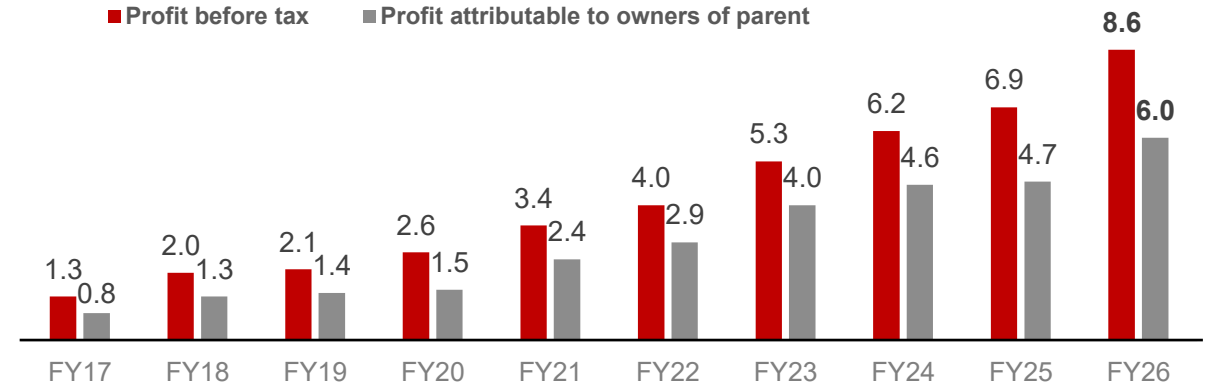
Operating revenue

(Billions of yen)



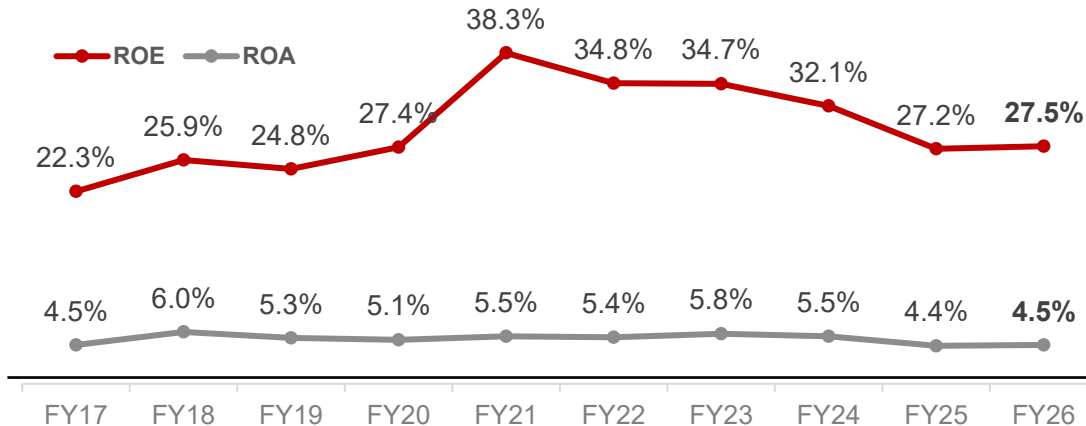
Profit before tax / Profit attributable to owners of parent

(Billions of yen)



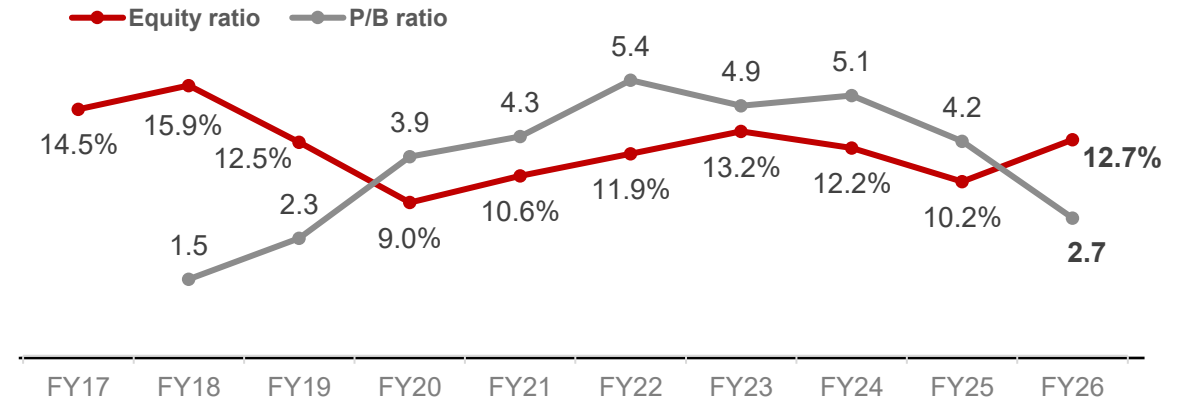
Return on equity (ROE) / Return on assets (ROA)

(%)



Equity ratio / P/B ratio

(% / Times)



Review of the Previous Medium-Term Management Plan

Summary of the Previous MTP, ONE & ONLY 2026: Quantitative Aspects

Achieved the medium-term vision of "establishing the Car Premium business model" and significantly grew our financial indicators

(Billions of yen)

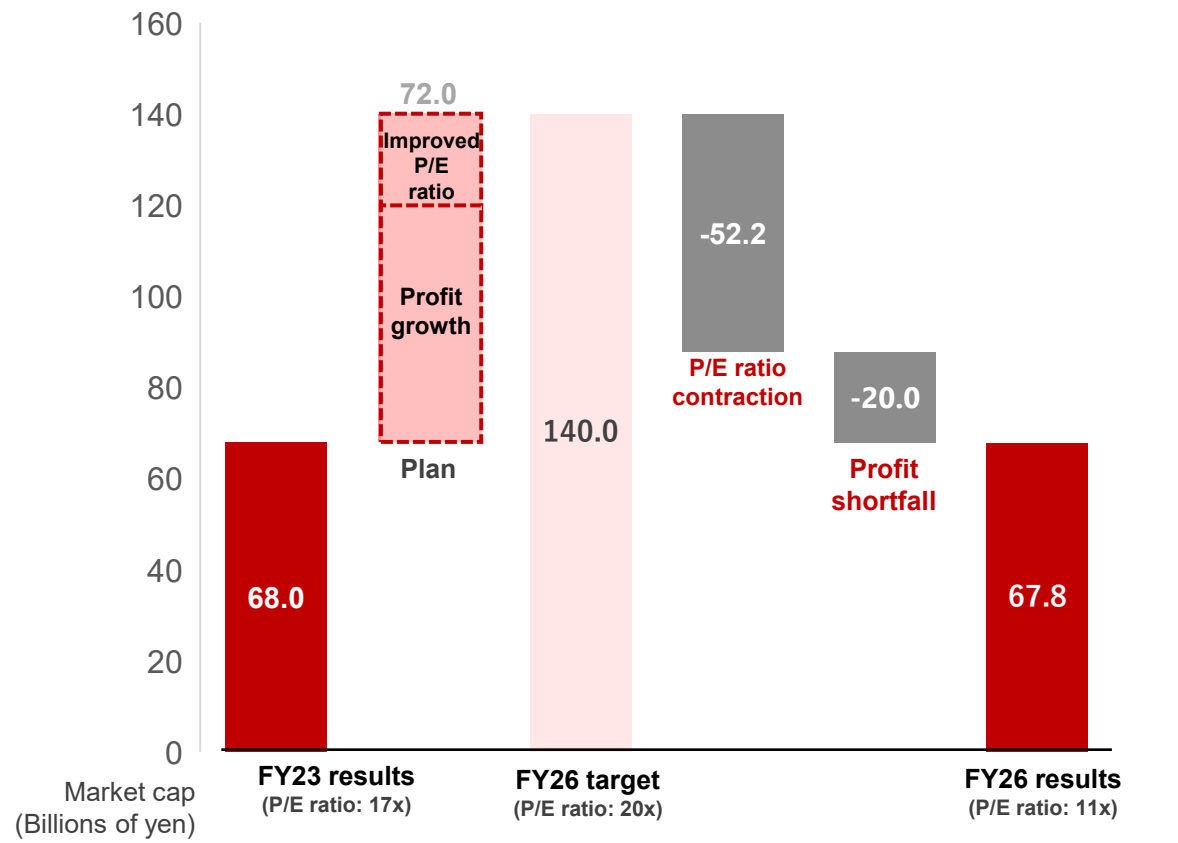
	FY2023 results	FY2026 results	Change (vs. FY2023)	Growth rate (vs. FY2023)
Operating revenue	25.0	44.0	+19.0	+76.0%
Profit before tax	5.3	8.6	+3.3	+62.2%
Profit attributable to owners of parent	4.0	6.0	+2.0	+50.0%
ROE	34.7%	27.5%	-7.2 pts	—
Market cap	68.0	67.8	-0.2	-0.3%

Analysis and Countermeasures for Failure to Achieve Market Capitalization Target

We face challenges in working to shift valuation from a simple finance company to a platform company

$$\text{Reasons for non-achievement} = \text{Failure to meet profit targets} \times \text{Contraction of valuation multiples}$$

Growth rate Expected future growth



Our recognition of challenges

- ☑ **Lack of proof for growth potential as a platform**
 - Limited to conventional market valuation as a simple financial services company
 - Insufficient disclosure of KPIs as a platform company

Our challenge was that **we could not show the transition from a financial company to a platform company with high growth potential with numbers**

- ☑ **Failure to meet profit targets**
 - Failure to meet targets due to system failures

Countermeasures

Commitment to numerical targets	Maintaining 17 consecutive years of revenue growth and high ROE
Proof as a platform company	Disclosing KPIs as a platform company Shifting to a revenue structure that is not dependent on interest rates
Increasing visibility	Accelerating structural transformation to become a platform provider known to everyone

Summary of the Previous MTP, ONE & ONLY 2026: Qualitative Aspects and Key Issues

Achieved the establishment and expansion of the Car Premium business model, our medium-term vision

	Key initiatives in the previous MTP		Major initiatives taken
Car Premium	Expand the Car Premium Club	Excellent	<ul style="list-style-type: none"> • Car Premium Club members: 5,938 • Brand awareness*: 30% • Expanded product offerings for Car Premium Club members
	Promote the Car Premium brand	Achieved	
	Strengthen offline/online marketing	Achieved	
Finance	Expand business with Car Premium Club members	Achieved	<ul style="list-style-type: none"> • Proportion of Car Premium Club members in the volume of new loans increased to 70% • Volume of new loans per sales staff member increased by ¥70 million • 99+% of loan applications made paperless (fax applications now subject to a fee) • Improved efficiency through automated calling and the introduction of RPA, etc.
	Release new core system	Not Achieved	
	Promote paperless conversion	Excellent	
	Collection efficiency through DX	Achieved	
Automobile warranty	Grow sales of proprietary warranties	Excellent	<ul style="list-style-type: none"> • Total volume of Car Premium automobile warranties grew by more than 300% • Expanded Premium Auto Parts • Automobile warranty online application rate: 84%
	Promote in-house production of repair parts	Achieved	
	Automate adjuster tasks/going paperless	Achieved	
	Expand the product lineup	Achieved	
Auto mobility services	Expand the used car distribution network	In Progress	<ul style="list-style-type: none"> • Developed/rolled out leasing programs for network stores • Completed the "Car Premium for all your car needs" website for end users • Released the Car Premium app
	Expand sales of lease products / Develop new subscription-based products	Achieved	
	Roll out software for auto mobility providers	Achieved	
	Complete mobility platform	Achieved	

* Based on research by Premium Group

Mission (Management Philosophy)

Mission: What Premium Group Is Aiming For



We contribute **to building a richer society** by providing the **best finance and services** to people around the world

By further improving our financing and services, and spreading them across the world, we will create a richer society.

We will develop and nurture **enriched human capital** who consistently approach their work with a positive mindset and **diligently build upon every process**

We will not give up before we start by thinking we cannot do something, or something is not possible. We will promote innovation with creative ideas and great ambition



Our Business Environment

Macro Environment

Premium Group's external environment—including finance, the automotive industry, and technology—is changing rapidly. We view the highly uncertain market environment as an opportunity for growth and are promoting agile business development.

Politics and Economics

Full-scale transition to a rising interest rate environment

Prolonged weak yen

Entrenchment of inflationary trends

Economic uncertainty amid geopolitical risks

Society and Environment

Decline in the working-age population and acceleration of super-aging

Structural changes in the labor market and the participation of diverse talent

Changes in global standards

Changes in lifestyles accompanying the diversification of values

Technology

Social implementation of generative AI and other innovative technologies

Mobility revolution centered on MaaS and CASE

Commercialization in the Web3.0 and blockchain domains

Slowdown in the global shift to EVs

Our Awareness of Business Environment Changes and the Internal Environment



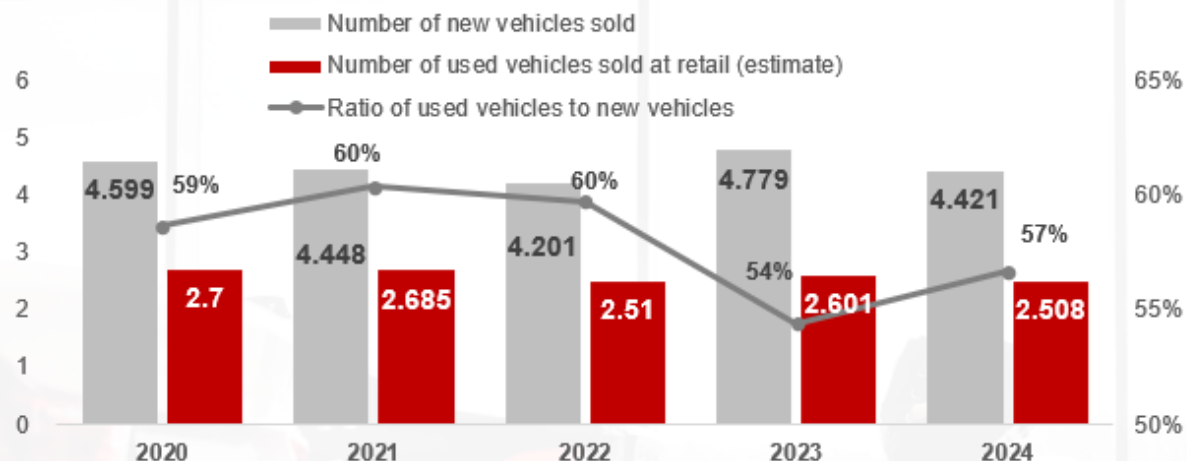
Ongoing difficulty in the business environment for small and medium-sized auto mobility providers

The challenge is to maintain market share by implementing measures for safety/security and providing high-value-added services

Number of new and used vehicles sold in Japan over time (estimate)

Number of vehicles sold (million vehicles)

Ratio of used vehicles to new vehicles



Source: Prepared by Premium Group based on Yano Research Institute's "Used Car Market 2026"

Market share in the used vehicle market

- Manufacturer-affiliated dealers
- Major used car dealers
- Small and medium-sized auto mobility providers



Reference: Estimated by Premium Group based on Yano Research Institute's "Used Car Market 2026"

- Small and medium-sized auto mobility providers hold approx. 50% of market share
- Used vehicle market remains flat → Future contraction is predicted

Manufacturer-affiliated Dealer

- Against the backdrop of a plateauing new car market, **strengthening the value chain, including used cars**
- Leveraging the strength of securing high-quality used cars through trade-ins to expand product variety
- **Improving the customer experience** through initiatives such as online-only sales and **promotion of e-commerce and digital transformation**

Major used car dealers

- Achieving both increased distribution volume and revenue growth through **vertical integration and the opening of large-scale stores**
- Accelerating initiatives related to **safety and security and brand building**

Car Premium

Strategy to date

- Providing high-quality services and establishing the Car Premium business model, focused on small and medium-sized auto mobility providers

Challenges

- Before the oligopoly of major players takes hold, it is necessary to build a system that allows us to compete as the **Car Premium ecosystem, rather than relying on the competitiveness of individual network stores**

Growth Vision

VISION

Change & Prove

Resolved for **Change**, **Proof** of Being One of a Kind.

—2030 VISION—

**Completing the auto
mobility ecosystem**



New MTP

2024–2026

**Building an auto
mobility platform**

Developing an
ecosystem including
finance/warranty

Previous MTP

Founding–2023

**Strengthening our
founding business**

Growing
finance/warranty

Founding period

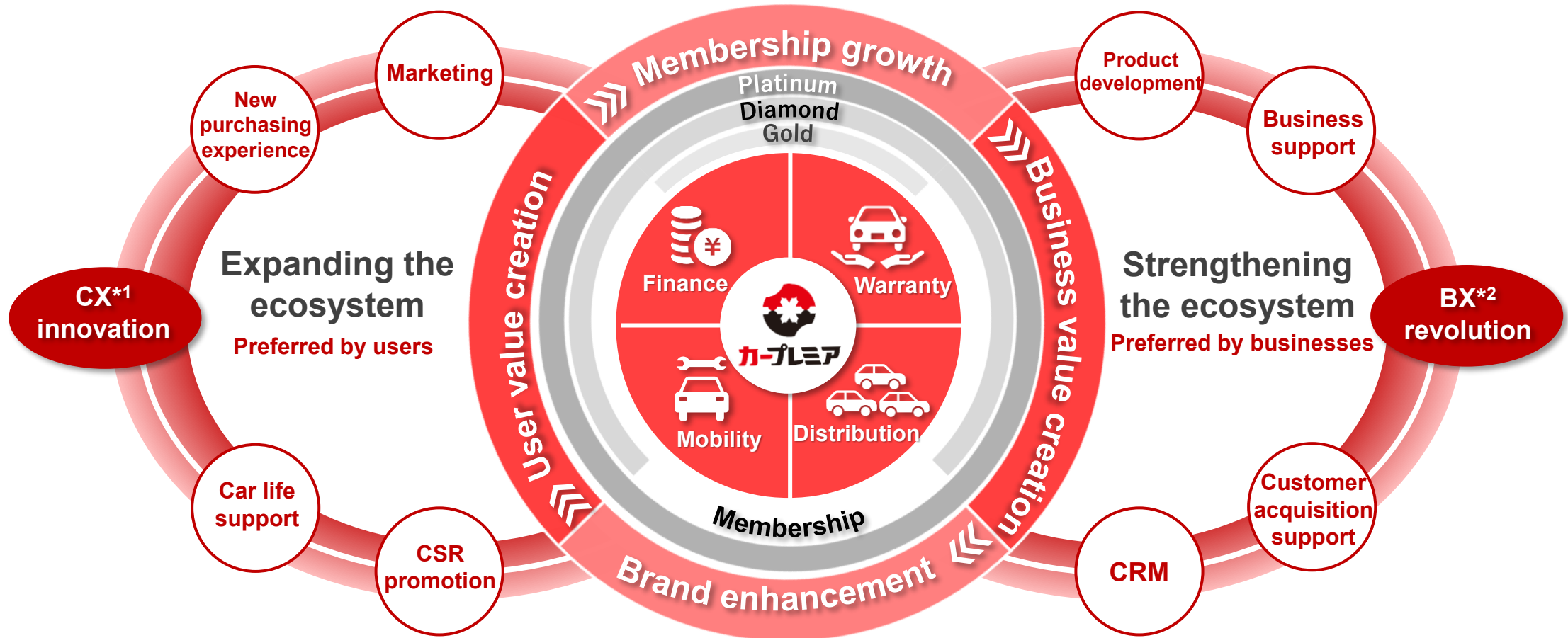
Expanding market share

**Establishing the Car Premium
business model**

Building a one-of-a-kind ecosystem

Completing the Auto Mobility Ecosystem

Providing services as the one-and-only platform provider essential to both users and businesses



*1. CX: Customer experience
*2. BX: Business transformation

Materiality (Key Issues)

Materiality (Key Issues) in the Vision 2030

The materiality for completing a one-of-a-kind mobility ecosystem is as follows

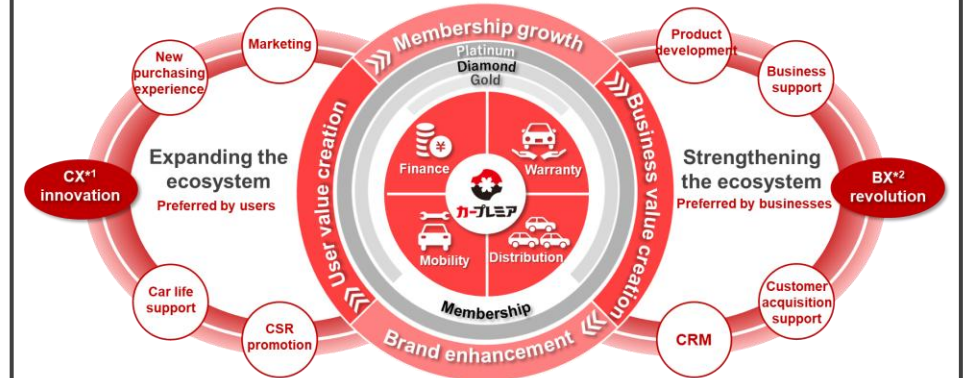
Materiality

<p>Ecosystem foundation</p>	<p>Strengthen Car Premium Club Membership organization</p> <p>Growth in both the membership organization's revenue and services</p>
<p>Source of high profitability</p>	<p>Essential infrastructure for businesses</p> <p>Support businesses with strong customer attraction and service capabilities</p>
<p>Expansion of ecosystem distribution</p>	<p>Incorporate users into the ecosystem</p> <p>Toward a brand everyone knows and wants to use</p>
<p>Foundation of competitiveness</p>	<p>IT enhancements and data strategies to support services</p> <p>Source of overwhelming differentiation within the industry</p>



Vision 2030

Completing the Auto Mobility Ecosystem



Change & Prove

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Strengthen Car Premium Membership Organization

🎯 Key Issue

Expanding our network of certified stores to earn customer trust, with a focus on the Car Premium brand

Growth in both the membership organization's revenue and services

User referrals centered on the Car Premium brand
limited to invite-only Diamond members and above

Platinum

Industry-leading brand stores

Diamond

Trusted certified stores

Gold

Car Premium service user stores

New category for
advancing our brand

Invitation-only certified
stores that attract users

Gateway to higher
membership levels

Key indicators through 2030

Car Premium Club Memberships

12,000 stores

Membership fee revenue

¥**5.0** billion

Churn rate

1.0% or less

Existing member LTV*

2.5 times

* Lifetime value if maintaining current churn rate for existing Diamond members

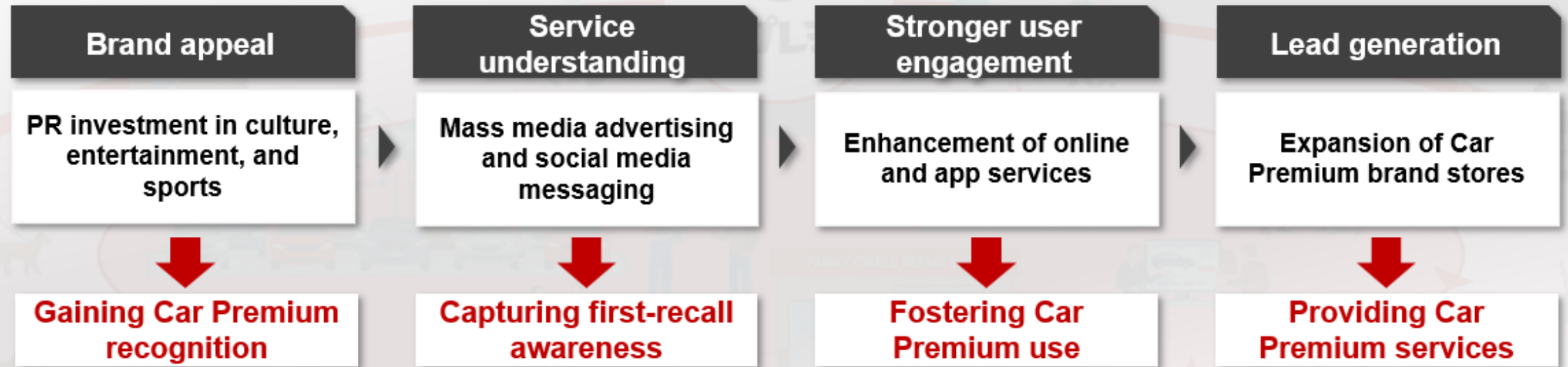
Incorporate users into the ecosystem

Key Issue

Expanding awareness of the Car Premium brand and services, and driving traffic to member stores

Implementing proactive investments focused on providing added value to users; attracting customers through proven reliability and a diverse range of services

Executing a brand strategy to attract users



Establishing a Car Premium brand preferred by users

IT Enhancements and Data Strategies to Support Services

Key Issue

AI utilization-based system development and evolution of human resources and services

Accelerate cost reduction and service development through a fusion of human resources, data, and AI

Core system x acceleration

- Upgrading the current system infrastructure and introducing AI agents
 - Rapidly achieving both reliability and speed
- Introducing a new core system
 - Fundamentally adjusting system architecture for superior flexibility, scalability, and integration capabilities

Updates



Big data x optimization

- Accelerating decision-making by leveraging a common analytics platform (business intelligence)
 - Building a data-driven organization
- A cyclical structure of data accumulation and utilization, and service improvement and creation
 - Enhancing the value of data

Data utilization

AI x value creation

- Innovating CX through AI
 - One-and-only services
- Strengthening frameworks for generating new projects
 - Developing DX human resources
 - Promoting fully in-house development projects

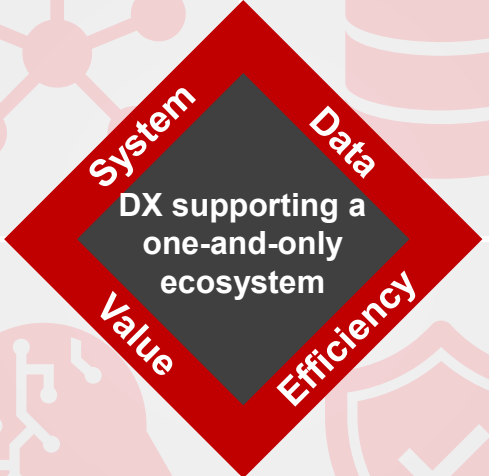
Proactive AI



AI x resilience

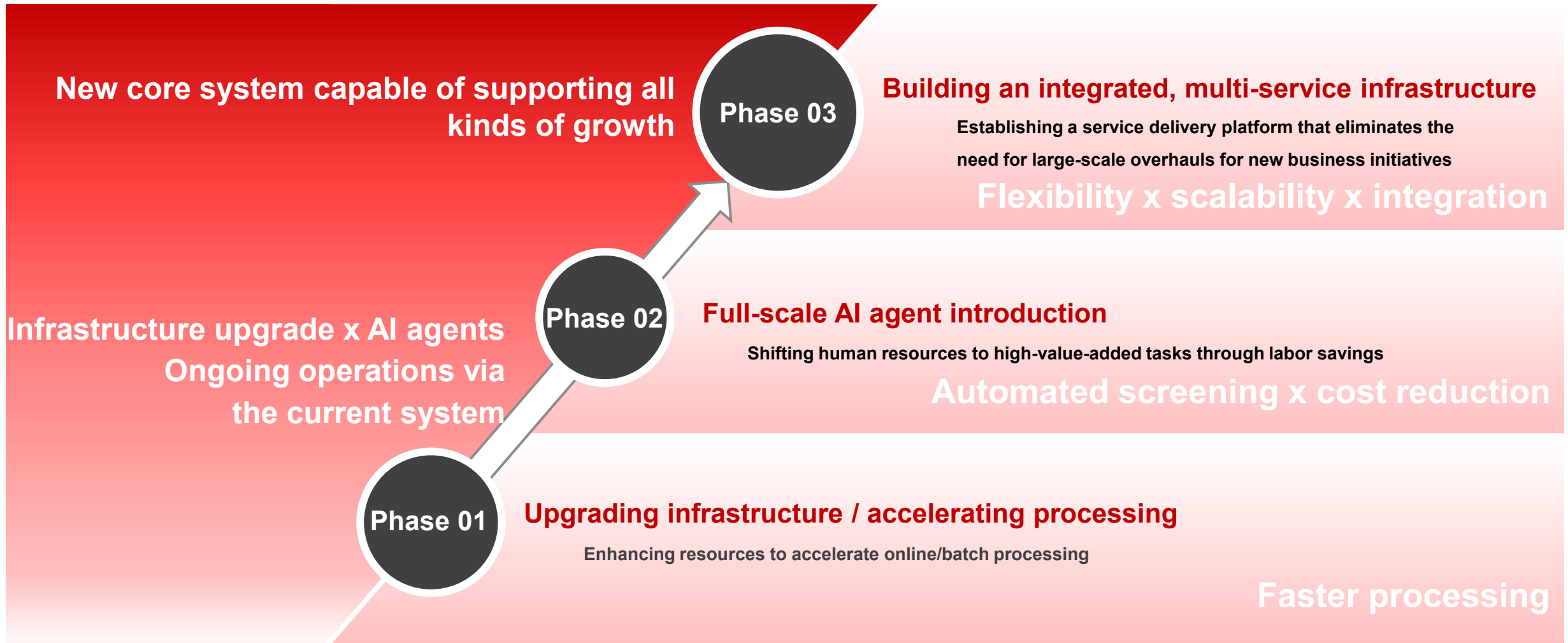
- Equipping all employees with AI
 - Significantly reducing operational burden
 - Focusing on high-value-added operations
- Strengthening the risk detection framework to support governance
 - Safe and secure organizational operations

Protective AI



Our Core System: Roadmap During the Medium-Term Management Plan

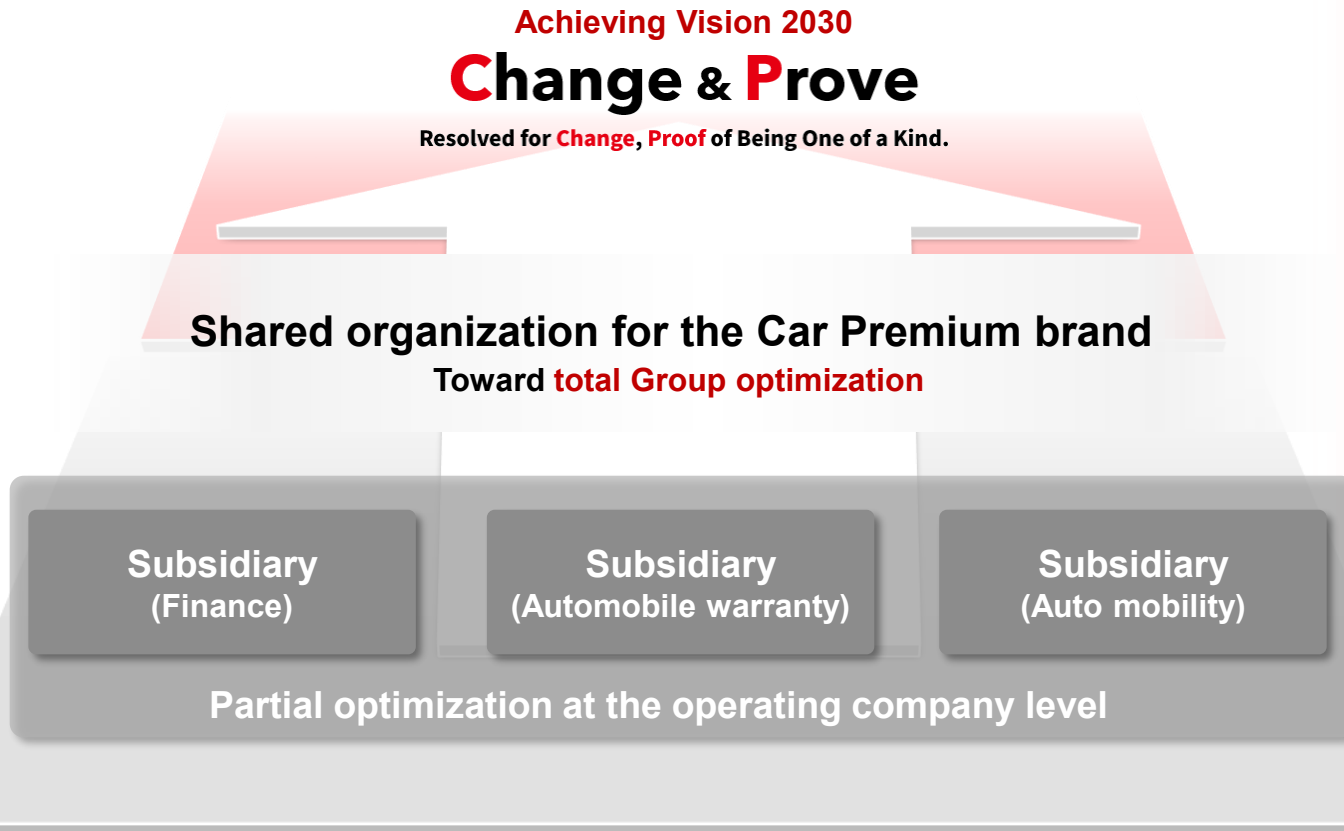
We will continue to operate the current system on a medium-term basis by enhancing its capabilities, while simultaneously preparing to build a new core system designed to support future growth



Optimization of the Implementation Framework and Organization

Integrating consolidated subsidiaries under a single brand and shifting policy from local optimization to total Group optimization

■ Main objectives of organizational integration



Creation of added value

Innovate customer experience (CX) by broadening the Car Premium Ecosystem
 Create new value by accelerating data-driven management

Cost reduction

Integration/optimization of sales and back-office divisions
 Cost efficiency targets in the ¥0.5–1.0 billion range

Evolved governance

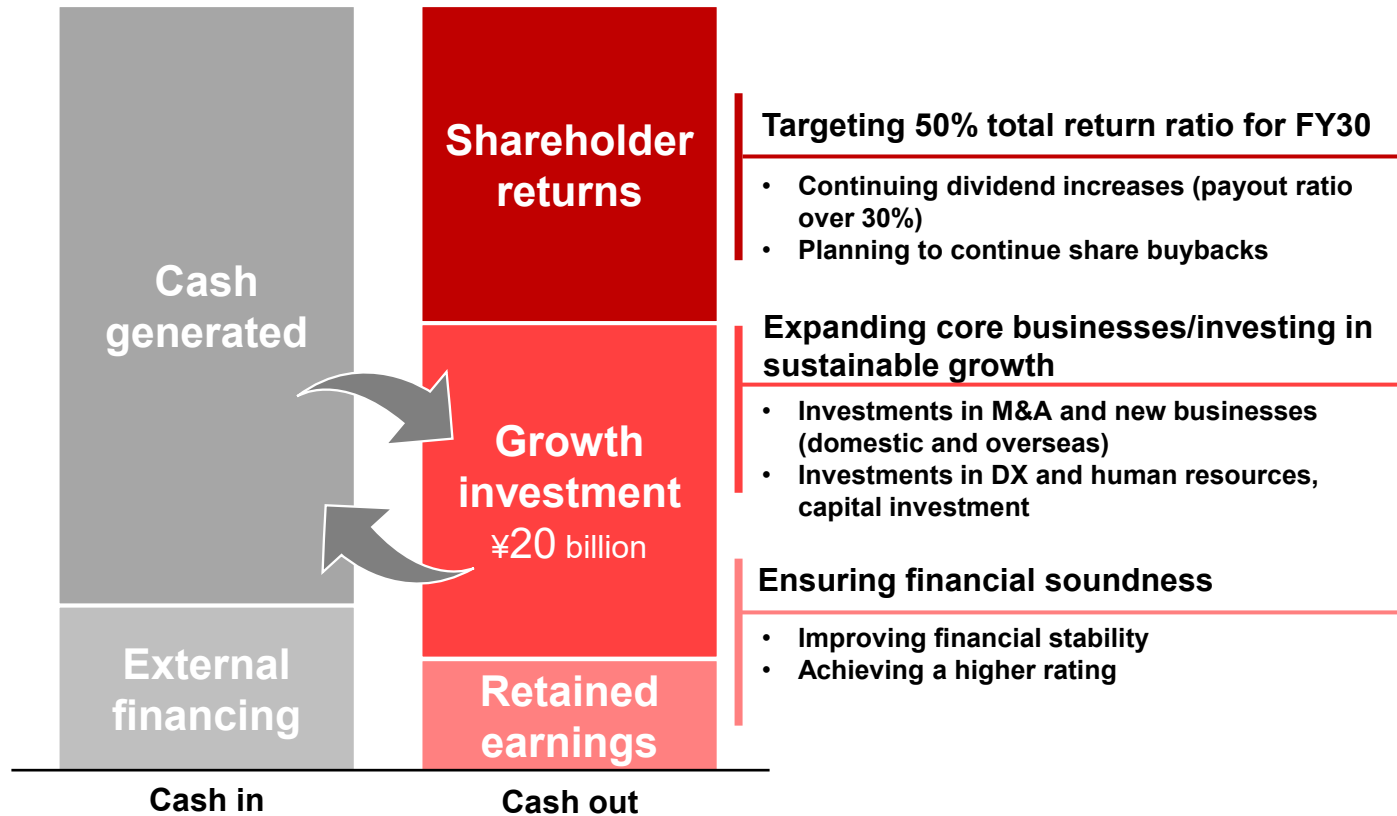
Clarifying responsibilities through the introduction of a CxO system

Financial Policy and Growth Investment Strategy

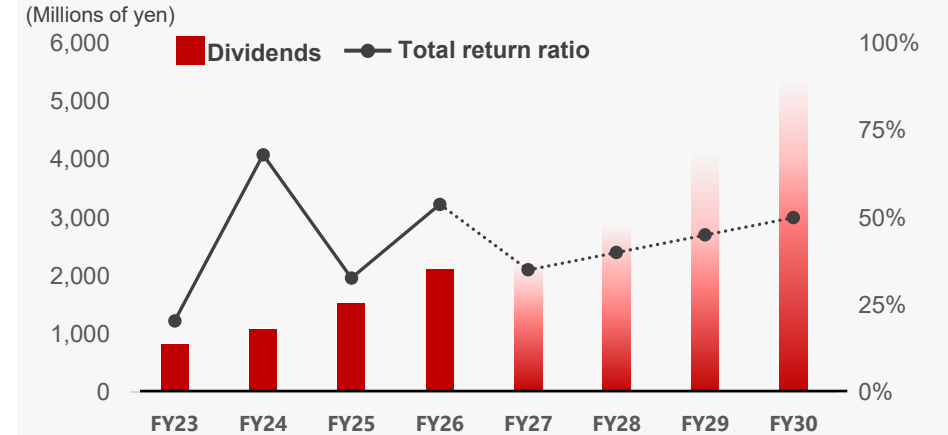
Financial Policy

Appropriately allocating cash generated over four years toward growth investments, shareholder returns, and ensuring financial soundness

■ Cash allocation



■ Shareholder returns



Other financial policies

Optimizing fundraising through enhanced direct sourcing

- ✓ Achieving an A+ rating

Timely cancellation of treasury shares

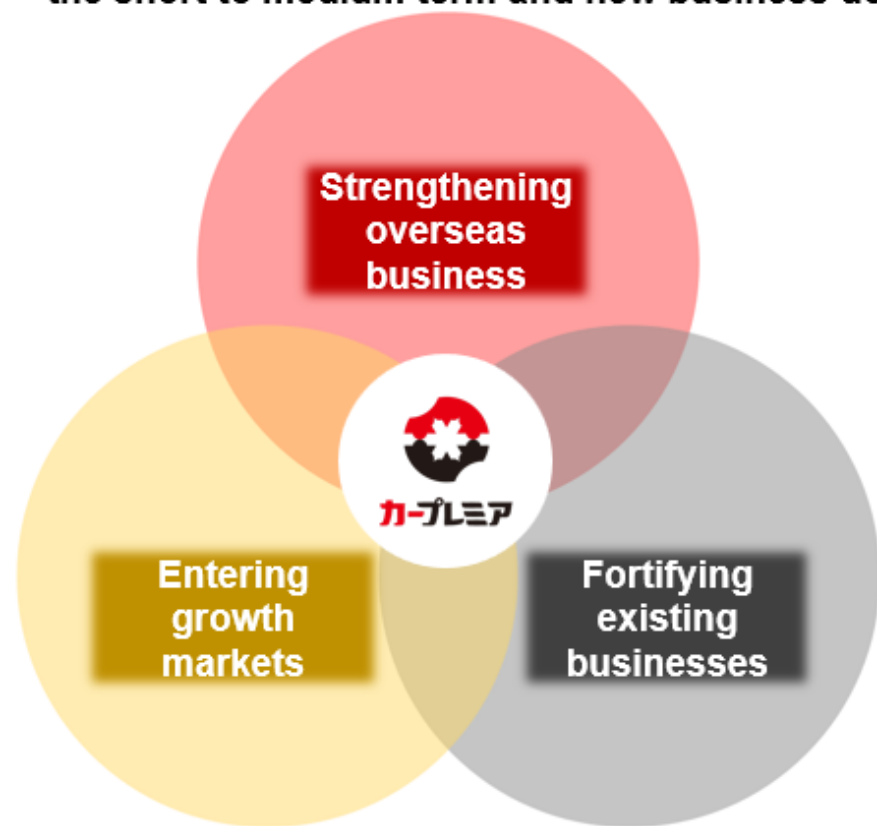
- ✓ Making dynamic decisions regarding share buybacks based on business environment and financial conditions
- ✓ Regularly cancelling shares exceeding 5% of the total issued shares

Growth Investment and Overseas Business Expansion

While advancing our existing business domains, we are cultivating new growth pillars in overseas markets and new domains to prepare for the contraction of the domestic used car market

Investment strategy

Optimally allocating management resources between existing business domains in the short to medium term and new business domains in the medium to long term



Overseas markets domain

- Full-scale entry into the Southeast Asia finance segment
- Leveraging insights gained from ECL in Thailand to accelerate independent expansion

Promising growth domain

- Long-term-oriented investments beyond the framework of existing businesses
- Incorporating a sustainable perspective that pursues both social value and economic benefits

Existing business domain

- Enhancing existing businesses such as mobility and fintech
- Investments in DX and human resources, capital and technological investment

Revenue contribution

Overseas markets/promising growth domains

Operating revenue **¥4.0 billion**

Profit before tax **¥0.5 billion**

Future initiatives

- Placing overseas business directly under the holding company to strengthen the promotion structure
- Securing and developing global and local talent
- Promoting domestic and overseas expansion through business alliance with ITOCHU Corporation
- The Growth Investment Committee assesses and prioritizes prospective businesses

Numerical Targets

Numerical Targets

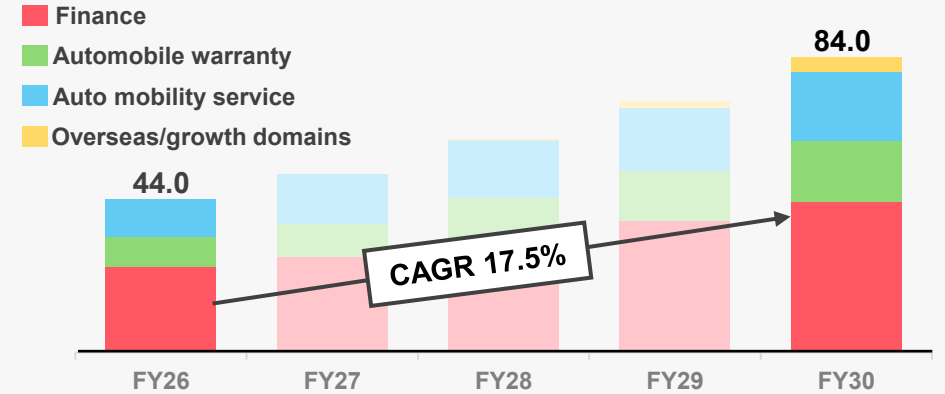
Profit growth for existing businesses at a CAGR of approximately 20%, while creating new revenue opportunities via aggressive investment

Major indicators

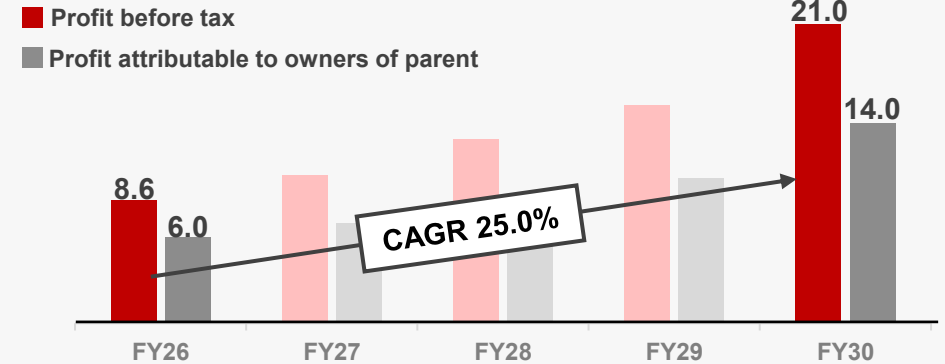
(Billions of yen)

	FY2026 results	FY2030 targets	Change (vs. FY2026)	Growth rate (vs. FY2026)
Operating revenue	44.0	84.0	+40.0	+90.9%
Profit before tax	8.6	21.0	+12.4	+144.2%
Profit attributable to owners of parent	6.0	14.0	+8.0	+133.3%
P/E ratio	11 times	22 times	—	—
Market cap	67.8	300.0	+232.2	+342.5%

Operating revenue (Billions of yen)



Profit before tax / Profit attributable to owners of parent (Billions of yen)



Summary of Medium-Term Management Plan: Change & Prove 2030

Management's Numerical Targets

Operating revenue	Profit before tax	Profit attributable to owners of parent	P/E ratio	Market cap
¥ 84.0 billion vs. FY2026: + 91%	¥ 21.0 billion vs. FY2026: + 144%	¥ 14.0 billion vs. FY2026: + 133%	22 times FY2026 results: 11 times	¥ 300.0 billion vs. FY2026: + 343%

Materiality and KPIs

Key Issues	Vision 2030	Main KPIs	FY2030 targets
<p>Strengthen Car Premium Membership organization Growth in both the membership organization's revenue and services</p>	 <p>Completing the Auto Mobility Ecosystem</p> <p>Change & Prove Resolved for Change, Proof of Being One of a Kind.</p>	<p>Car Premium Club membership revenue —Shift to recurring revenue—</p>	<p>¥5.0 billion</p>
<p>Essential infrastructure for businesses Support businesses with strong customer attraction and service capabilities</p>		<p>Churn rate —Proof of stable ecosystem—</p>	<p>1.0% or less</p>
<p>Incorporate users into the ecosystem Toward a brand everyone knows and wants to use</p>		<p>LTV of existing Diamond Members —Proof of deep engagement per store—</p>	<p>2.5 times</p>
<p>IT enhancements and data strategies to support services Source of overwhelming differentiation within the industry</p>			



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