

Transcript of Medium-Term Management Plan for FY Ending March 31, 2030 (May 11, 2026)

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



Hello, everyone. I am Yohichi Shibata, President and Representative Director of Premium Group Co., Ltd. Thank you very much for taking the time out of your busy schedule to watch the presentation video for our new medium-term management plan, "Change & Prove 2030."

## 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.

**Change & Prove 2030**  
Resolved for Change, Proof of Being One of a Kind.

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

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Currently, small and medium-sized automobile providers, which account for approximately 50% of the used car market in Japan, are facing an extremely challenging business environment characterized by oligopolization by major capital and intensifying interest rate competition.

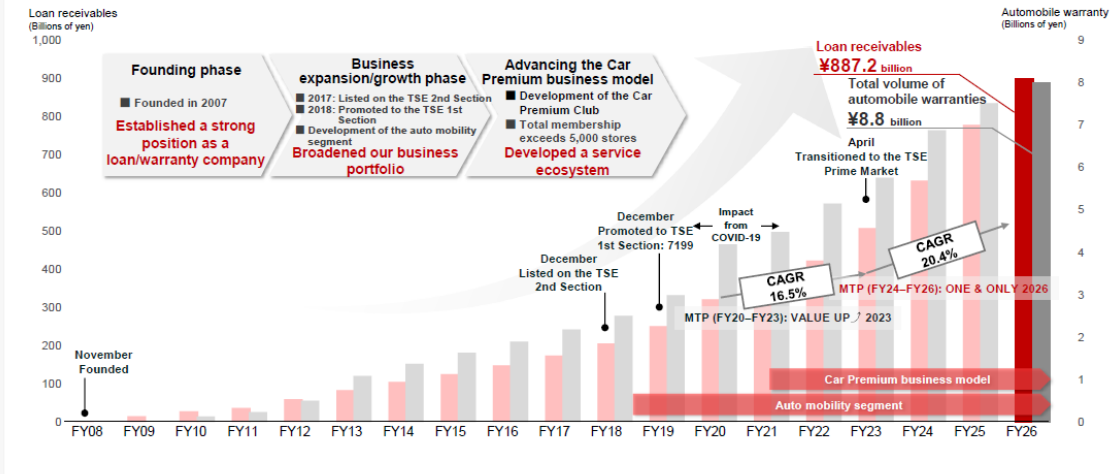
Since our founding, we have walked alongside these providers as their partner, achieving revenue growth for 17 consecutive years since our inception and nine consecutive years of increased revenue and profit since our listing. However, we have no intention of becoming complacent with this growth trajectory. In this new medium-term management plan, we are determined to transform ourselves by breaking through our existing frameworks. Based on a highly profitable model centered on membership fees that are not affected by interest rate trends and Automobile warranties, which are a stock-type business, we will complete our auto mobility ecosystem and realize a transformation into the one-and-only Car Premium Economic Domain. Over the next four years, we will prove that we are a one-and-only platform that makes small and medium-sized automobile providers feel they can envision a future because of Car Premium.

I will now proceed with the explanation according to the table of contents.

## 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



First, I will discuss our trajectory since our founding. Since our founding in November 2007, we have grown steadily over the past 18 years. In particular, by promoting the Car Premium business model that began in the fiscal year ended March 31, 2021, we have been able to maintain a higher growth rate of nearly 20%.

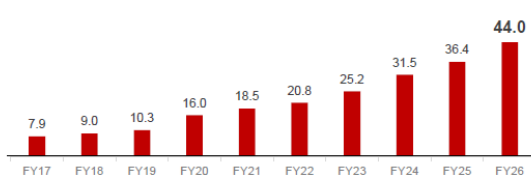
## Tracing Our Past Growth: Performance



### Continued steady growth and maintaining high ROE

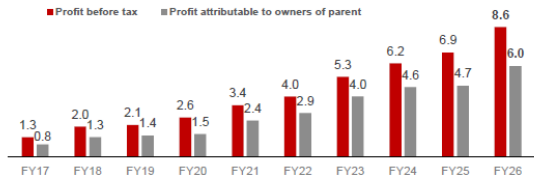
Operating revenue

(Billions of yen)



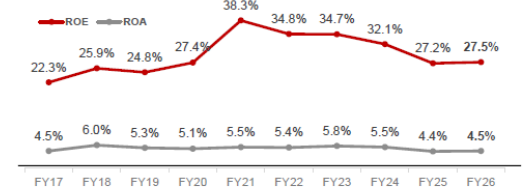
Profit before tax / Profit attributable to owners of parent

(Billions of yen)



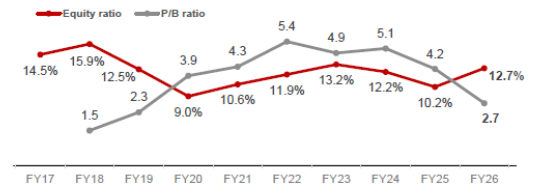
Return on equity (ROE) / Return on assets (ROA)

(%)



Equity ratio / P/B ratio

(% / Times)



Furthermore, we have continuously recorded increases in both revenue and profit. Regarding ROE, we have been able to maintain it in the high 20% range or above, and as a finance business, we maintain a solid equity ratio of 12.7%.

## Summary of the Previous Medium-Term Management Plan, ONE & ONLY 2026:



### Quantitative Aspects

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

	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%

(Billions of yen)

Second is the summary of our previous medium-term management plan, "ONE & ONLY 2026." We achieved our medium-term vision of establishing the Car Premium business model and were able to achieve significant growth in each financial indicator. Compared to the fiscal year ended March 31, 2023, we achieved significant growth, with operating revenue up 76% and profit before tax up 62.2%.

Unfortunately, we did not achieve our market capitalization target, and we have analyzed the factors behind this as follows.

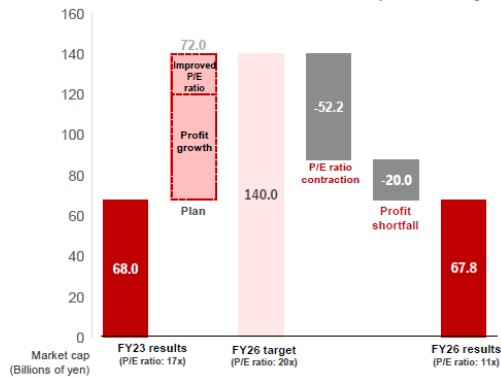
## Analysis and Countermeasures for Failure to Achieve Market Capitalization Target



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

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

First, regarding the reasons for failing to reach the market capitalization target, we believe they can be broadly categorized as failure to meet profit targets and the contraction of PER. As countermeasures, we will fulfill our commitment to numerical targets and prove our transition from a simple finance company to a platform company with higher growth potential through the disclosure of key indicators.

## Summary of the Previous Medium-Term Management Plan, 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	✓ ✓ ✓
	Promote the Car Premium brand	✓ ✓
	Strengthen offline/online marketing	✓ ✓
		<ul style="list-style-type: none"> <li>• Car Premium Club members: <b>5,938</b></li> <li>• Brand awareness: <b>30%</b></li> <li>• Expanded product offerings for Car Premium Club members</li> </ul>
Finance	Expand business with Car Premium Club members	✓ ✓
	Release new core system	×
	Promote paperless conversion	✓ ✓ ✓
	Collection efficiency through DX	✓ ✓
		<ul style="list-style-type: none"> <li>• Proportion of Car Premium Club members in the volume of new loans increased to <b>70%</b></li> <li>• Volume of new loans per sales staff member increased by <b>¥70 million</b></li> <li>• <b>99+%</b> of loan applications made paperless (fax applications now subject to a fee)</li> <li>• Improved efficiency through automated calling and the introduction of RPA, etc.</li> </ul>
Automobile warranty	Grow sales of proprietary warranties	✓ ✓ ✓
	Promote in-house production of repair parts	✓ ✓
	Automate adjuster tasks/going paperless	✓ ✓
	Expand the product lineup	✓ ✓
		<ul style="list-style-type: none"> <li>• Total volume of Car Premium automobile warranties grew by more than <b>300%</b></li> <li>• Expanded Premium Auto Parts</li> <li>• Automobile warranty online application rate: <b>84%</b></li> </ul>
Auto mobility services	Expand the used car distribution network	✓
	Expand sales of lease products / Develop new subscription-based products	✓ ✓
	Roll out software for auto mobility providers	✓ ✓
	Complete mobility platform	✓ ✓
		<ul style="list-style-type: none"> <li>• Developed/rolled out leasing programs for network stores</li> <li>• Completed the "Car Premium for all your car needs" website for end users</li> <li>• Released the <b>Car Premium app</b></li> </ul>

\* Based on research by Premium Group

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This is a summary of qualitative aspects. The degree of achievement is shown in this table using circles, triangles, and crosses. We believe we were able to firmly implement measures and respond to most qualitative items. Unfortunately, for items that were not achieved, including the failure to release the new core system, we intend to follow up on them thoroughly in the new medium-term management plan.



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

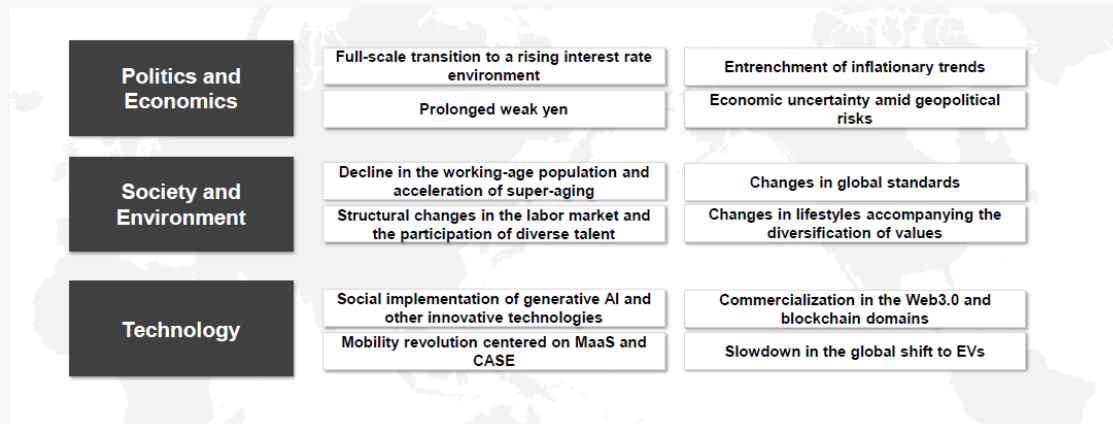


Third is our management philosophy. Since our establishment, we have upheld two missions: We contribute to building a richer society by providing the best finance and services to people around the world. Second, we will cultivate human resources who can always work hard and positively build up processes. These two missions have remained unchanged since our founding. This is the form we aim for.

## 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.

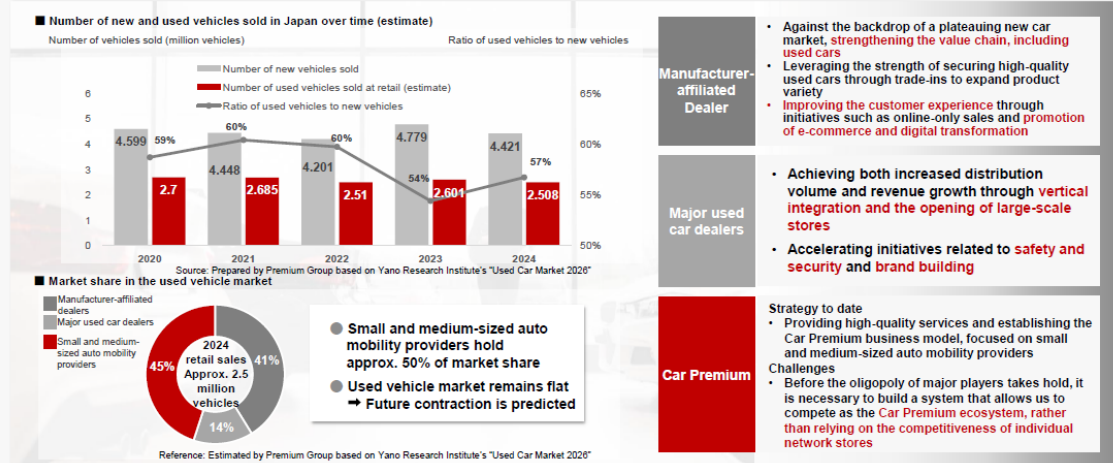


Fourth is our perception of the environment. First, in the macro environment, uncertainty is rising due to factors such as interest rate hikes, inflation, and technological evolution, but we view these as growth opportunities and will promote our business flexibly.

## 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



Next is our perception of changes in the surrounding business environment and the internal environment. Manufacturer-affiliated dealers are expected to enter the used car market in earnest and gradually expand their influence. In addition, major used car dealers are continuing to expand their sales scale while restoring trust, becoming a very significant presence.

On the other hand, for small and medium-sized automobile providers, which account for about half of the used car market, to compete against the oligopoly of major players, we believe it is urgent to build a system to fight alongside our Car Premium Ecosystem rather than as individual affiliated dealers.

## VISION

# Change & Prove

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



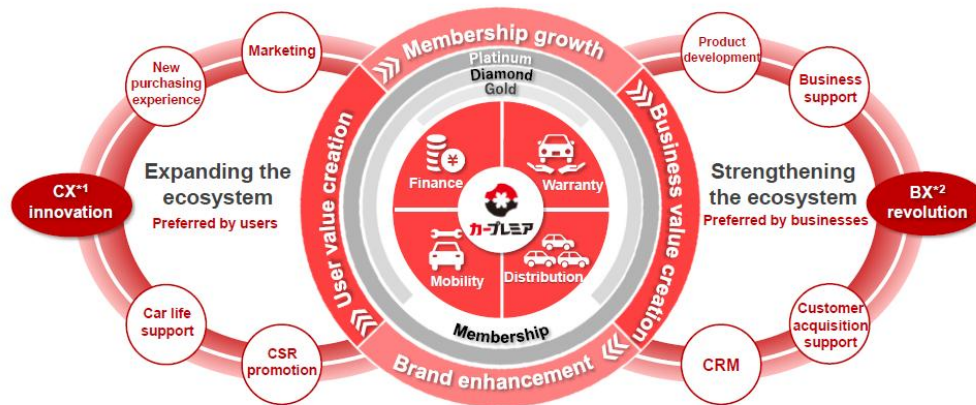
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This is our growth vision based on these market perceptions. In the previous medium-term management plan, we began building the Car Premium business model, which is an economic domain platform including the Finance Business and Automobile Warranty Business that we have expanded since our founding. Regarding this Medium-Term Management Plan, we intend to complete the auto mobility ecosystem as our vision for 2030.

## 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

Next, I will explain what the completion of the auto mobility ecosystem we are aiming for represents.

Using the membership organization base expanded under the previous Medium-Term Management Plan as a source, we will build an economic domain chosen by both business operators and users. We will provide business operators with competitiveness on par with major players, and provide users with services that innovate the customer experience, including the purchasing experience. Together with our members, we will promote the established Car Premium brand to users.

We will also organize membership categories into three levels—Platinum, Diamond, and Gold—and provide services suitable for each member. Through these initiatives, we believe that building an auto mobility ecosystem that includes the finance, warranty, distribution, and mobility sectors is an important vision for the Car Premium Ecosystem.



## 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

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The first is the strengthening of the Car Premium Club membership organization. Membership categories consist of three levels: Platinum, which are brand stores at the highest industry standard; Diamond, which are trusted certified stores; and Gold, which use Car Premium services.

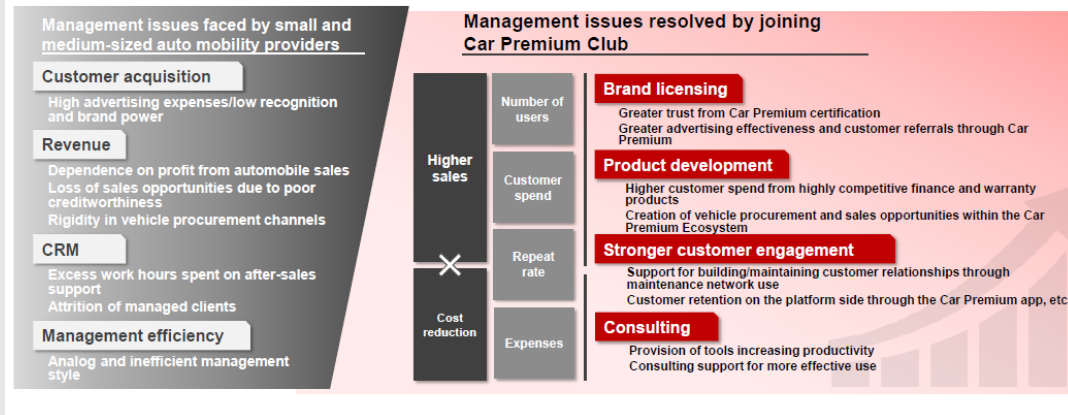
Platinum is positioned as a new category to promote the Car Premium brand, and together with Diamond, it will be operated as an invitation-only certified store to attract users.

As overall indicators, we aim for 12,000 member stores, 5 billion yen in membership fee revenue, and a churn rate of 1.0% or less. Furthermore, as proof of progress per store, we aim to increase the LTV of existing Diamond Members by 2.5 times.

Key Issue

Providing a platform that increases revenue for users

Comprehensive business support to maximize competitiveness



The second is essential infrastructure for business operators. Car Premium Club solves the challenges faced by small and medium-sized automobile providers and enables efficient management. We recognize that becoming an essential infrastructure for providers—where joining Car Premium increases competitiveness and revenue—is a key issue for providers.

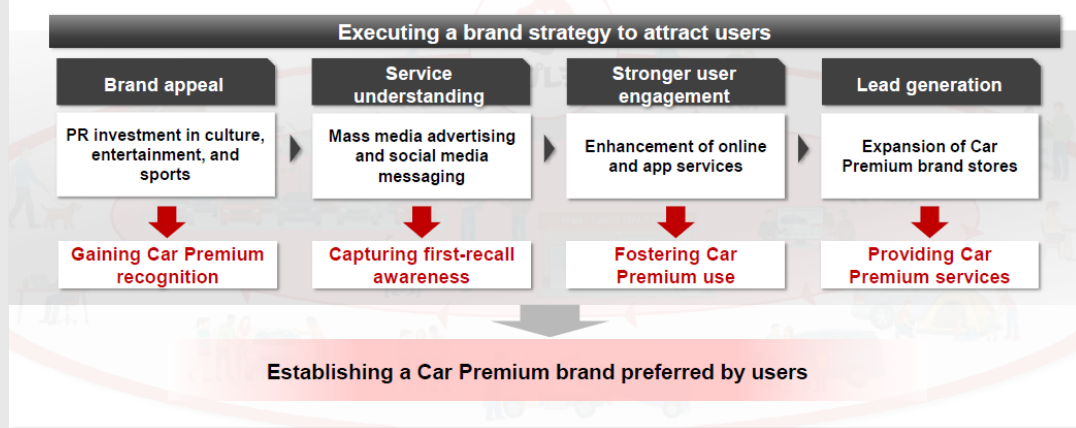
## Incorporate users into the ecosystem



### 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



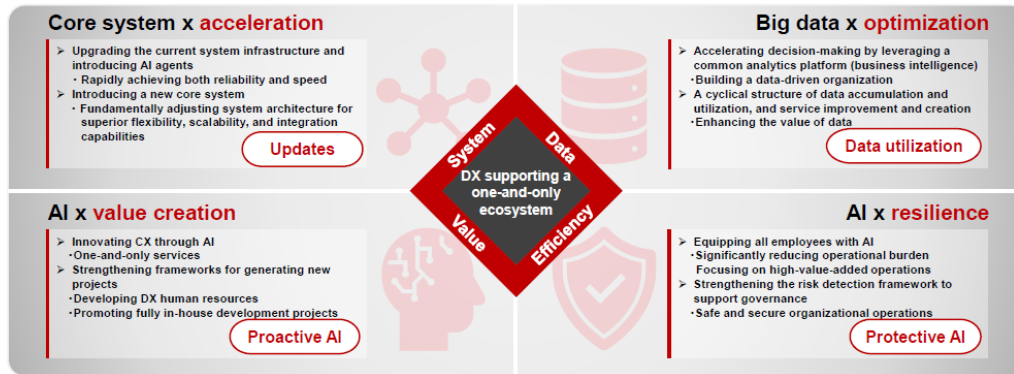
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The third is incorporating users into our economic zone. To evolve into a brand that everyone knows, we will deploy a brand strategy aimed at user acquisition. We intend to establish the Car Premium brand as the one chosen by users, aiming to achieve top-of-mind awareness in the industry and increase the number of users. We recognize that developing and providing services through initiative-taking investment in pursuit of added value for users is a key issue for users.

◎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

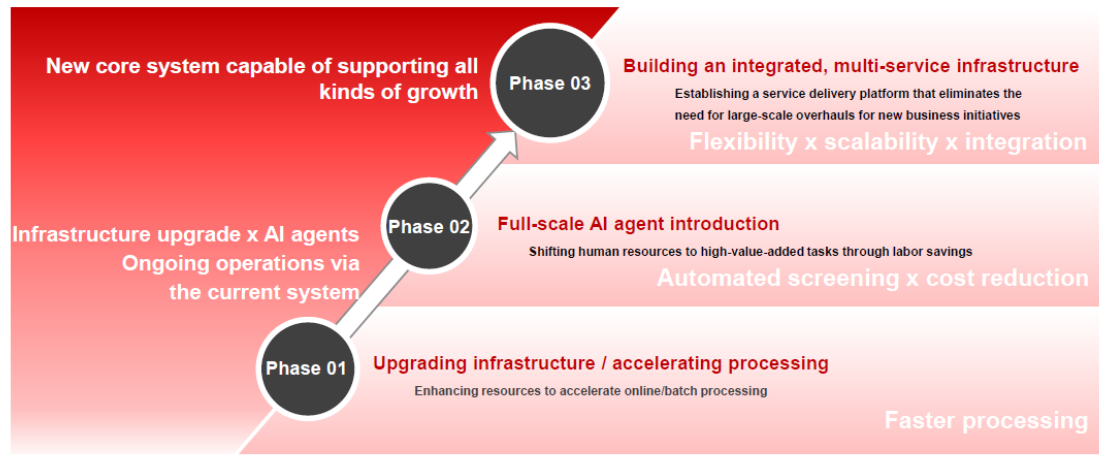


The fourth is IT enhancement and data strategy to support our services. We will strive to advance our systems, human resources, and services based on the use of AI, and accelerate cost reductions and service development through human resources x data x AI. We will focus on core systems, data utilization, and AI so that they become the foundation of our competitiveness supporting our business.

## 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



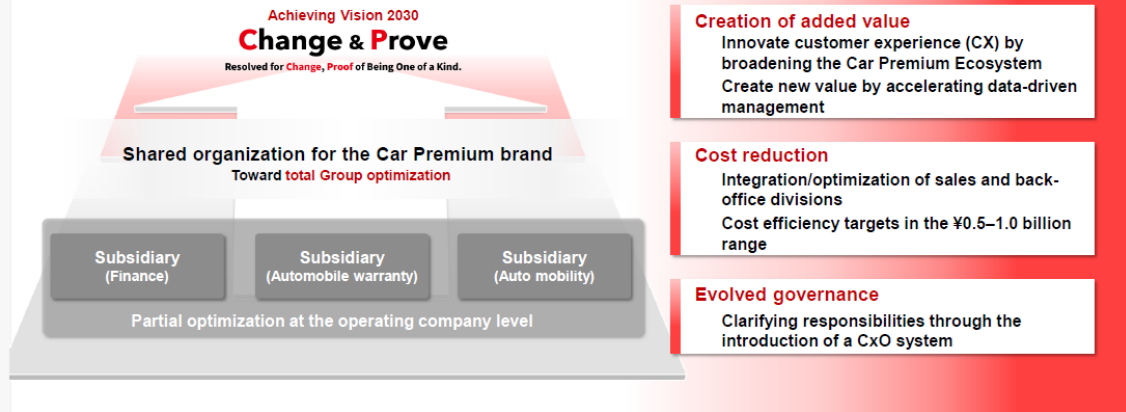
Regarding core systems, we have set three phases as a medium- to long-term roadmap. In Phase 1, we will refresh the current system infrastructure and increase processing speeds, and in Phase 2, we will begin the full-scale application of AI agents. We believe that this will allow for sufficient business innovation even within the current systems. After thorough preparation, including requirement definitions, we will aim for the stable operation of a new core system applicable to diversified services in Phase 3.

## 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



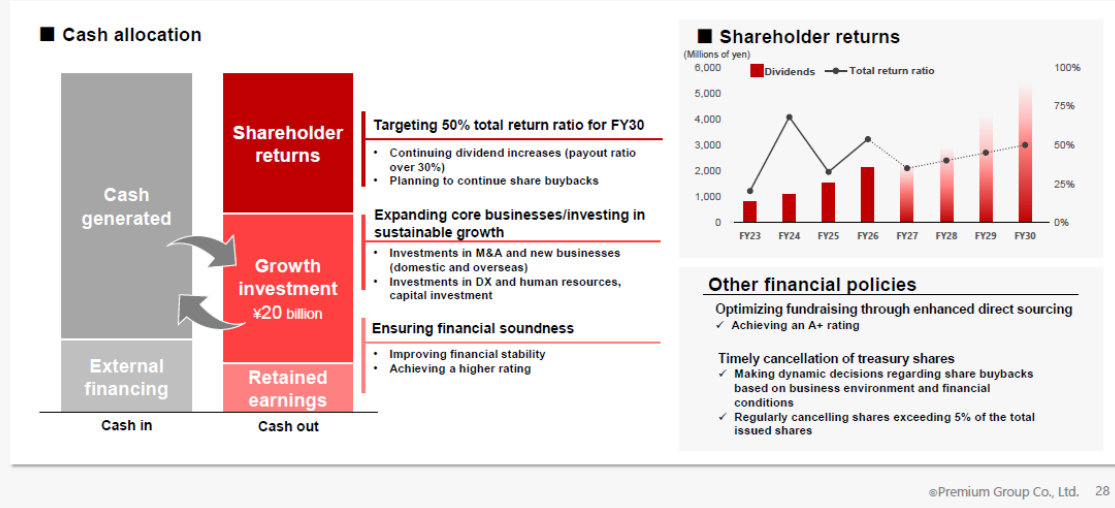
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To promote these key issues, we will strive to optimize our organizational structure. Although already implemented, we will integrate consolidated subsidiaries into a single brand and shift our policy from partial optimization to overall optimization for the entire Group. Through integration, we will promote the creation of added value, cost reductions, and the strengthening of governance. As for cost effects, we anticipate a reduction of 500 million to 1 billion yen.

## Financial Policy



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



Next is our financial policy and growth investment strategy. We will appropriately allocate the cash generated over the four-year period to growth investments, shareholder returns and ensuring financial soundness.

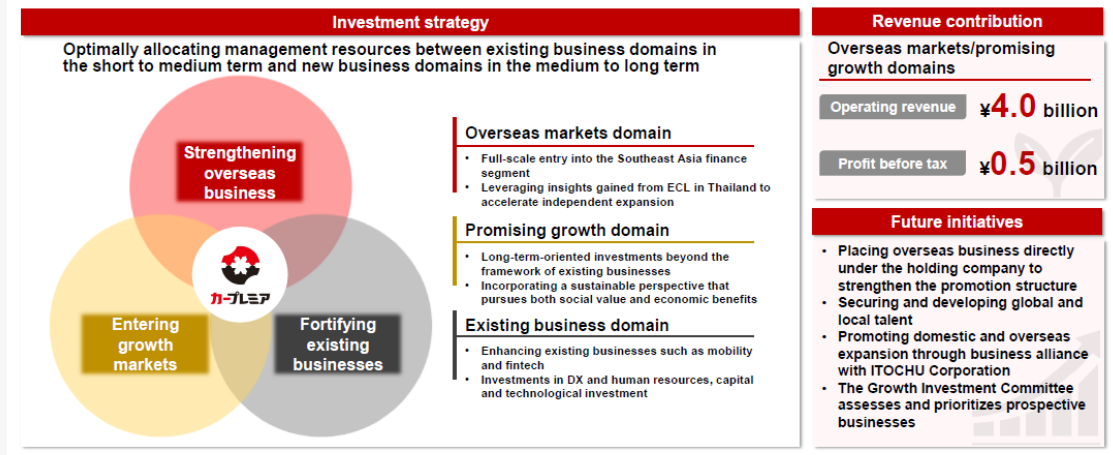
We plan to implement growth investments on a scale of 20 billion yen. I will discuss the specific investment strategy later.

Regarding shareholder returns, we aim for a 50% payout ratio in the fiscal year ending March 2030 and will continue to increase dividends and flexibly acquire treasury shares. As for our financial policy, following the A- rating we obtained last year, we will expand bank and direct financing and diversify our funding sources to reduce borrowing risks and funding costs. Furthermore, we aim to obtain an A+ rating to further improve our financial stability. In addition, we have a policy of periodically canceling treasury shares, using the portion exceeding 5% of issued shares as a guideline for timely cancellation.

## 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



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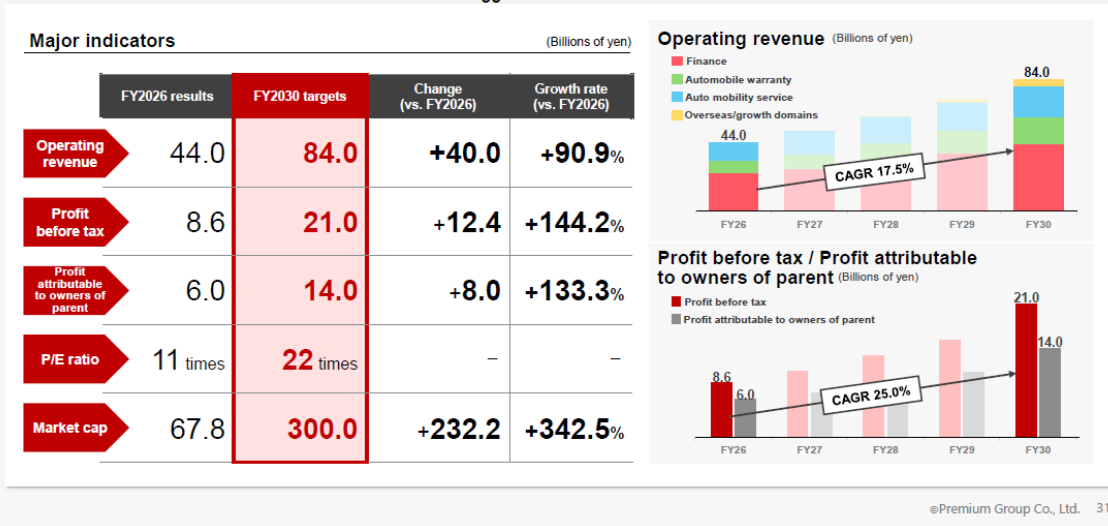
Our investment strategy is to maintain a good balance between the short- to medium-term growth of existing business areas and sowing seeds for new business areas in the medium-to-the-long term. In new business areas with high growth expectations and overseas market areas that represent a horizontal expansion of existing businesses, we target operating revenue of 4 billion yen and profit before tax of 500 million yen in the fiscal year ending March 2030.

Future initiatives include establishing a Growth Investment Committee and accelerating overseas expansion through collaboration with ITOCHU Corporation. While further refining our existing business areas, we will focus on nurturing the next growth pillars in new areas.

## Numerical Targets



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



Finally, here are our numerical targets. The targets for operating revenue, profit before tax, and profit for the four years of the new medium-term management plan are set as shown in the table. Operating revenue for the fiscal year ending March 2026 is 44 billion yen. We aim to achieve operating revenue of 84 billion yen in the fiscal year ending March 2030, with an average annual growth rate of approximately 17%.

By segment, in addition to the steady growth of our three pillars—the Finance Business, Automobile Warranty Business, and Auto Mobility Services Business—we also expect earnings from overseas and growth areas.

We aim to achieve profit before tax of 21 billion yen, compared to 8.6 billion yen in the fiscal year ending March 2026, with an average annual growth rate of approximately 25%. Furthermore, to demonstrate our improved market valuation as a platform company, we target a PER of 22x and aim for growth to a market capitalization of 300 billion yen.

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



Management's Numerical Targets				
<b>Operating revenue</b>	<b>Profit before tax</b>	<b>Profit attributable to owners of parent</b>	<b>P/E ratio</b>	<b>Market cap</b>
¥ <b>84.0</b> billion vs. FY2026: +91%	¥ <b>21.0</b> billion vs. FY2026: +144%	¥ <b>14.0</b> billion vs. FY2026: +133%	<b>22</b> times FY2026 results: 11 times	¥ <b>300.0</b> billion vs. FY2026: +343%
Materiality and KPIs				
Key Issues	Vision 2030	Main KPIs	FY2030 targets	
<b>Strengthen Car Premium Membership organization</b> Growth in both the membership organization's revenue and services	<p><b>Completing the Auto Mobility Ecosystem</b></p> <p><b>Change &amp; Prove</b> Resolved for Change, Proof of Being One of a Kind.</p>	<b>Car Premium Club membership revenue</b> —Shift to recurring revenue—	<b>¥5.0 billion</b>	
<b>Essential infrastructure for businesses</b> Support businesses with strong customer attraction and service capabilities		<b>Churn rate</b> —Proof of stable ecosystem—	<b>1.0% or less</b>	
<b>Incorporate users into the ecosystem</b> Toward a brand everyone knows and wants to use		<b>LTV of existing Diamond Members</b> —Proof of deep engagement per store—	<b>2.5 times</b>	
<b>IT enhancements and data strategies to support services</b> Source of overwhelming differentiation within the industry				

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Finally, to summarize. Under the new medium-term management plan, our 2030 vision is to complete the Auto Mobility Ecosystem. Our numerical targets are operating revenue of 84 billion yen, profit before tax of 21-billion-yen, profit of 14 billion yen, a PER of 22x, and a market capitalization of 300 billion yen. We intend to firmly achieve these targets four years from now.

This concludes the explanation of the new medium-term management plan, “Change & Prove 2030”. We are available for individual meetings with institutional investors and analysts at any time.

Please contact us via the IR inquiry form on our website.

Thank you very much for your attention today.

(Disclaimer)

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