



カ-プレミア

Financial Results Presentation

for Q1 of FY Ending March 31, 2023

July 29, 2022

TSE Prime Section: 7199

Premium Group Co., Ltd.



カープレミア

- 1. Summary of Financial Results for Q1 of FY Ending March 31, 2023**
- 2. Finance Segment**
- 3. Automobile Warranty Segment**
- 4. Auto Mobility Segment**
- 5. Car Premium Segment**
- 6. Other Topics**
- 7. Appendix**

Market Environment

- **Number of new vehicles sold and used passenger vehicles registered down year on year** due to recent business environment circumstances
- **Severe market conditions continue** with declining used vehicle inventories and rising unit prices

Our KPIs and Performance

- **Credit finance and automobile warranty both hit record double-digit growth**
- **Sales and profits increased**, and steady progress against full-year forecasts

MTP Progress

- **Focused on building membership organizations for mobility providers**
- **Newly launched the Car Premium website for customers**, building the foundations for achieving the platform concept

Future Strategy

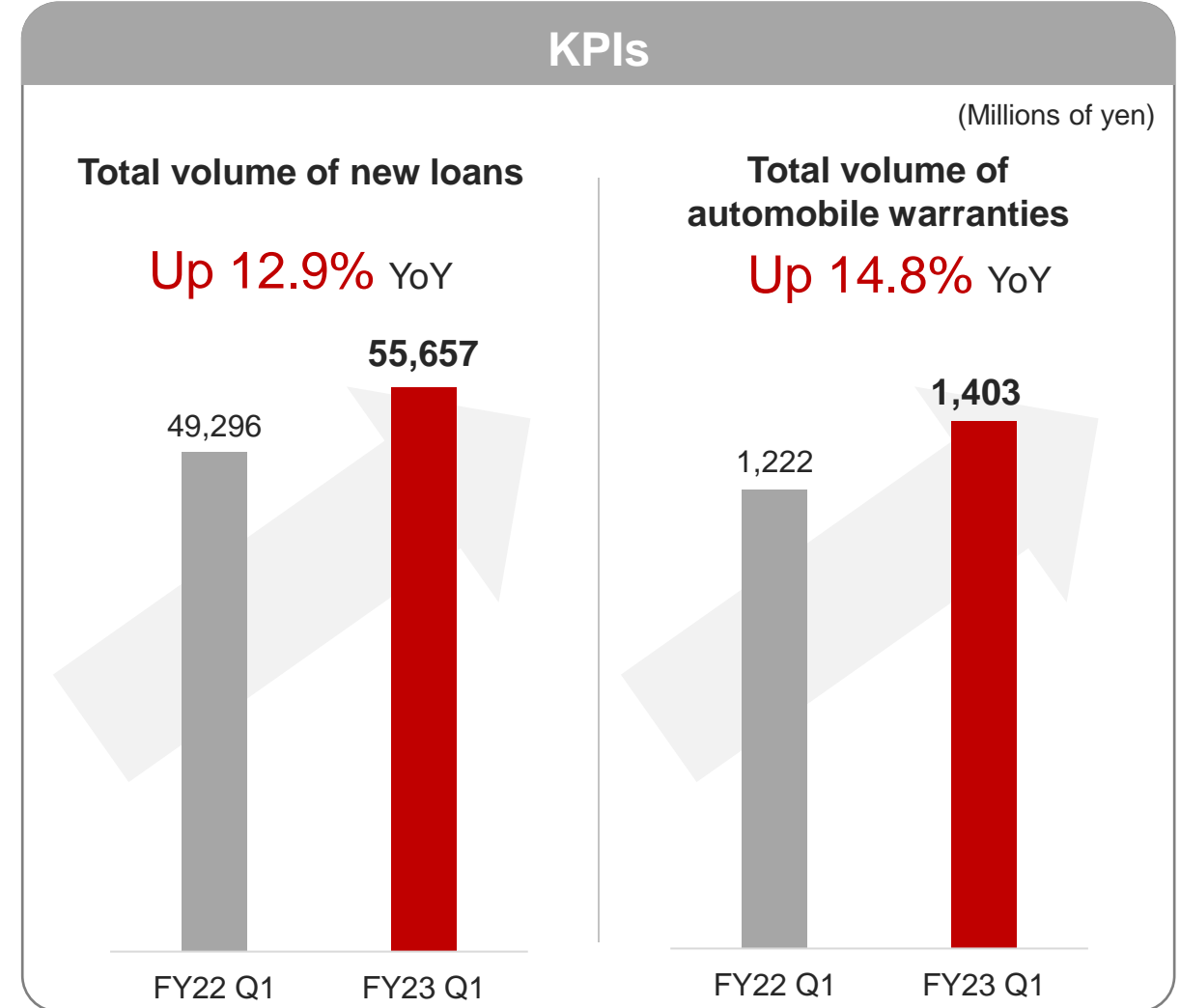
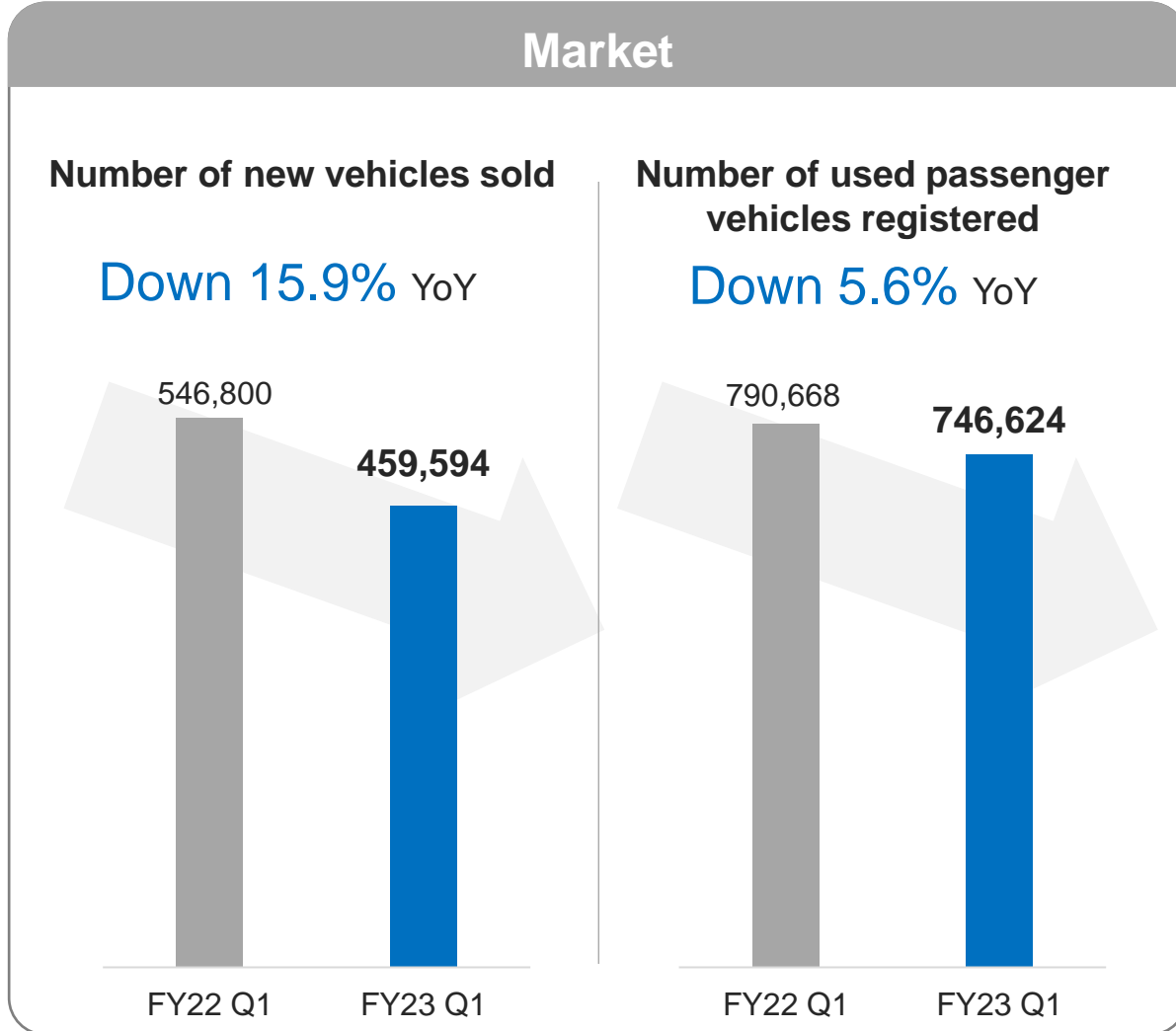
- Resolved to conduct a **stock split** to **enhance our shares' liquidity** and **expand our investor base**
- **Sustainable growth** in credit finance and automobile warranty segments and expansion of new businesses (**Mobility/Car Premium**)



1. Summary of Financial Results for Q1 of FY Ending March 31, 2023

Highlights from Q1 of FY Ending March 31, 2023 (1)

- **Market** continues to **fall below previous year's levels**
- **Growth** in volume of new loans for both credit finance and automobile warranty



Highlights from Q1 of FY Ending March 31, 2023 (2)



- **Higher profits and sales**
- **Future expected earnings (deferred profit): ¥38,014 million stocked on BS**

Performance

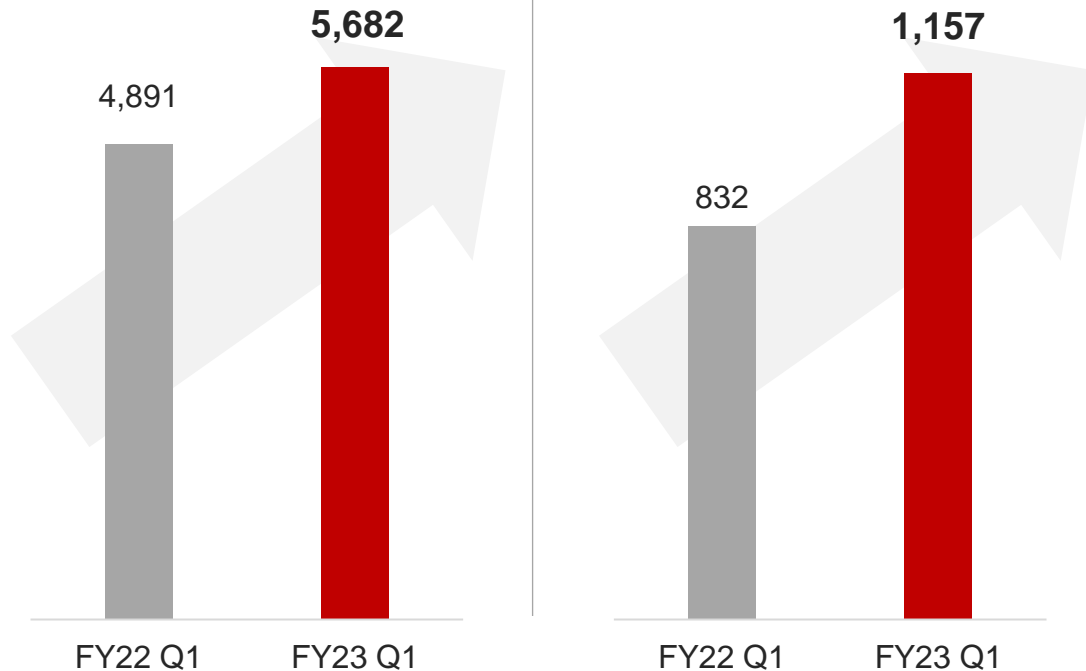
(Millions of yen)

Operating income

Up 16.2% YoY

Profit before tax

Up 39.0% YoY



Future expected earnings (deferred profit)

Whole Group
¥38,014
million

Up 20.4% YoY

Credit finance
¥31,718 million
Up 20.9% YoY

Automobile
warranty
¥5,932 million
Up 17.2% YoY

Other
¥364 million
Up 33.5% YoY

■ Implementing various measures for medium- to long-term growth

Main Topics

Stock Split

1 share → 3 shares

Resolved to conduct a stock split to **enhance our shares' liquidity** and **expand our investor base**

Date of stock split resolution: July 20, 2022

Presenting Operating Profit & Earlier Announcement of Financial Results



To provide investors with **more useful information more rapidly**, we began presenting operating profit and announcing the financial results within one month of closing for the first time since our listing

Full-Scale Launch of Car Premium Business & Segment Reorganization



Reclassified reporting segments from this FY **due to rising importance of the Car Premium Club**

Launch of Car Premium Website

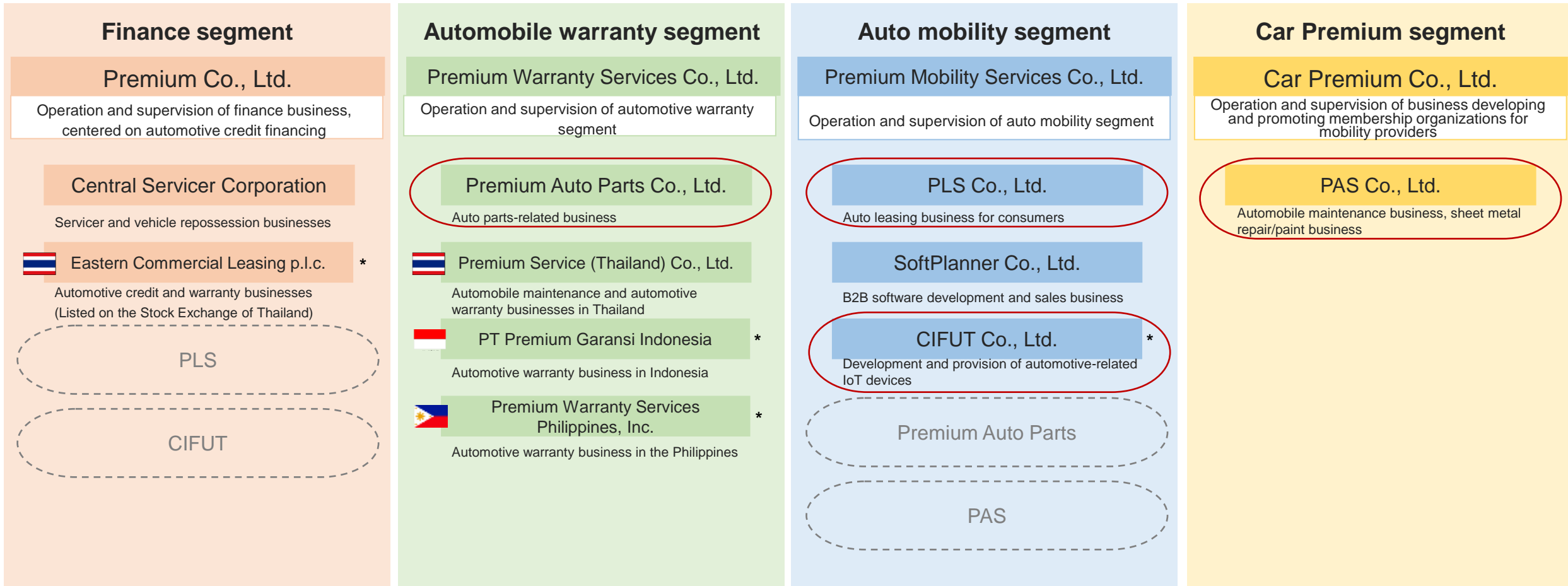


Launched the **Car Premium website** to connect us with our **customers**, as part of our platform concept

Launch of Car Premium website: July 22, 2022

Segment Reorganization

- Reclassified reporting segments due to the rising importance of the Car Premium Club, the generation of greater Group synergy, and expanding our business

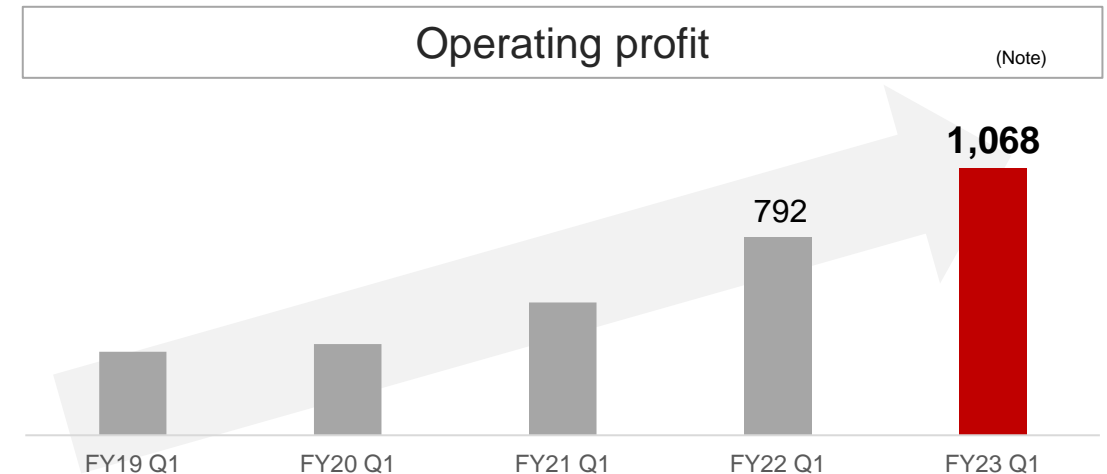
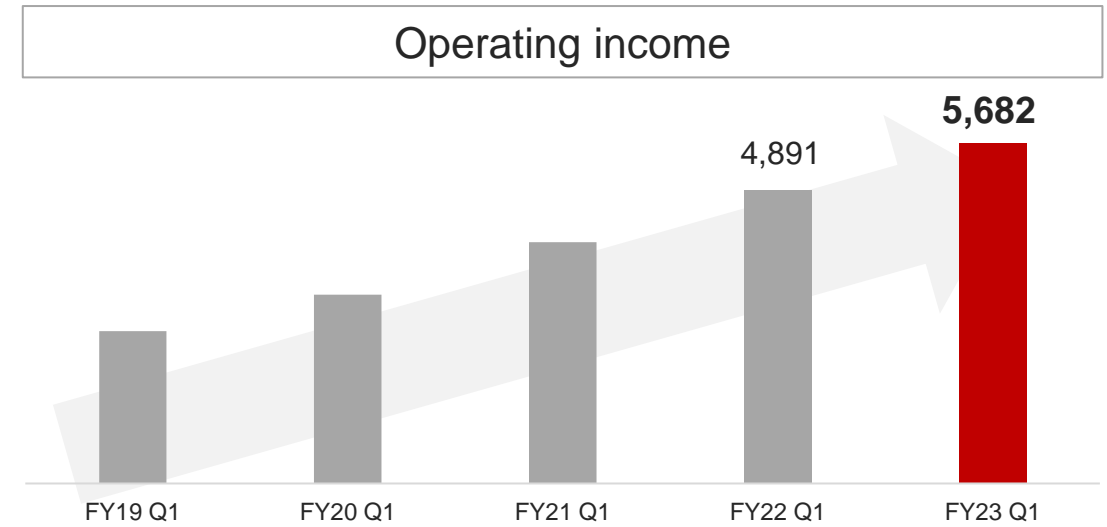


Note: "*" indicates an affiliate.

Consolidated Performance

- **Operating income of ¥5,682 million, up 16.2% YoY**
- **Profit before tax totaled ¥1,157 million (up 39.0% YoY) due to lower operating expenses from DX measures and Group synergies**

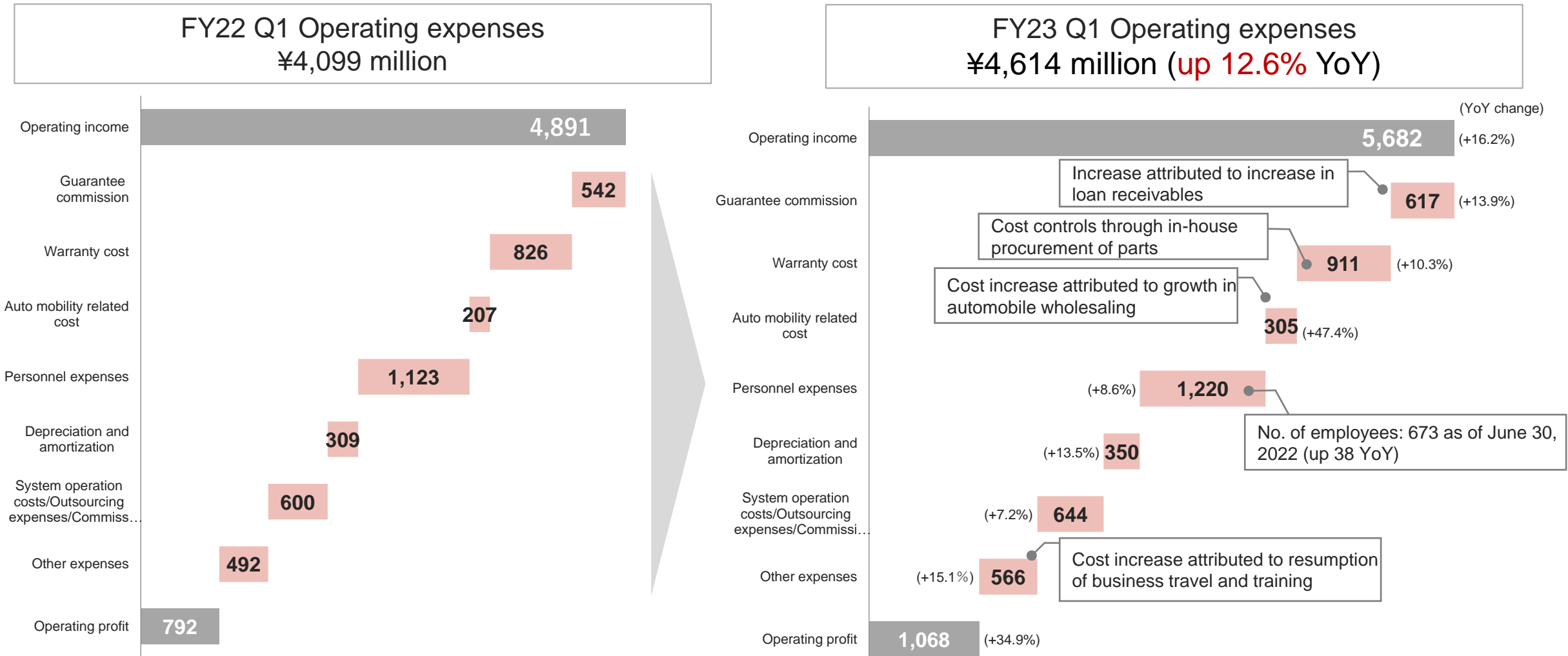
	FY22 Q1	FY23 Q1	YoY change
Operating income	4,891	5,682	+16.2%
Operating expenses	4,099	4,614	+12.6%
Operating profit	792	1,068	+34.9%
Profit before tax	832	1,157	+39.0%
Profit attributable to owners of parent	608	841	+38.3%
Basic earnings per share (yen)	47.45	65.32	+37.7%



Note: Gain on revaluation of insurance assets (FY20.1Q) and gain on negative goodwill (FY21.1Q) due to a change in accounting estimate are not included in operating profit.

Operating Expenses (Breakdown)

■ Achieved **lower rise in operating expenses** than the growth in operating income

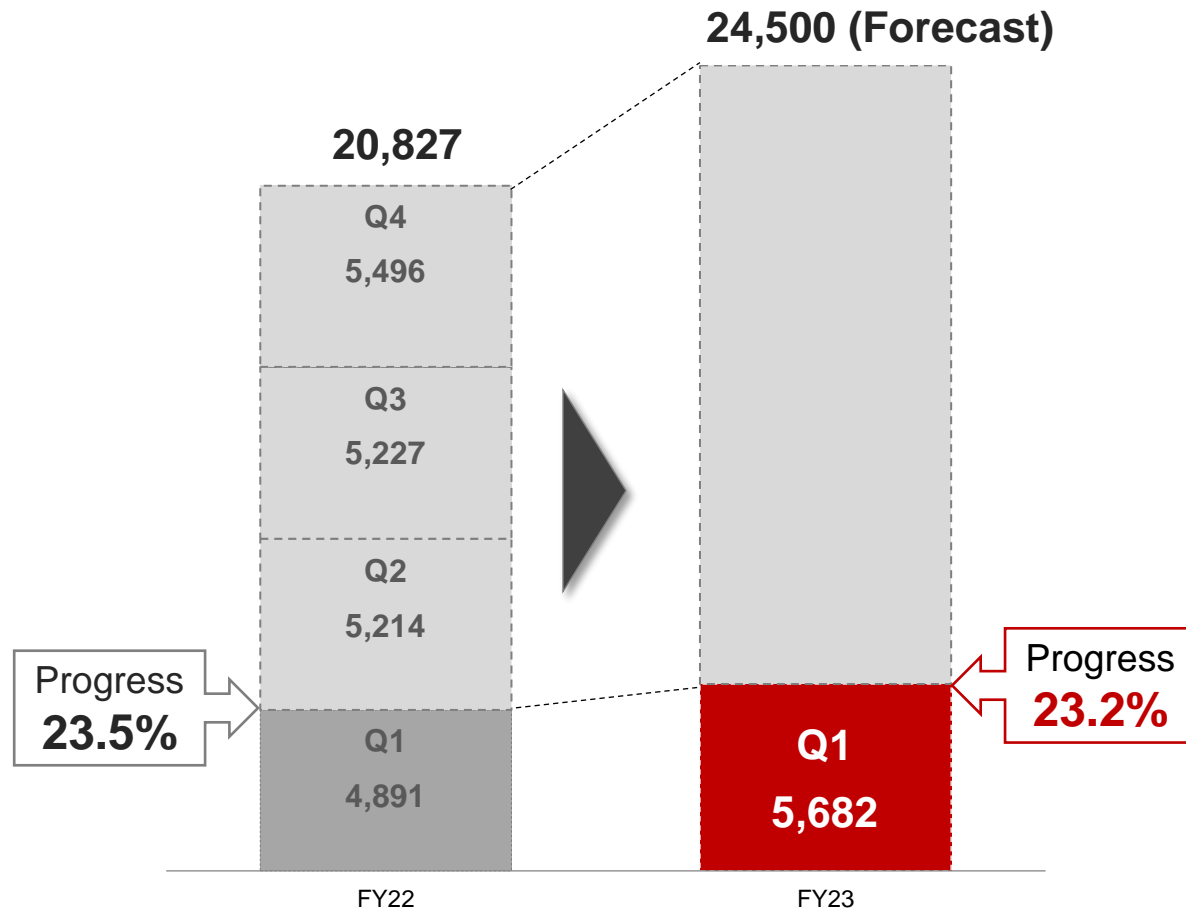


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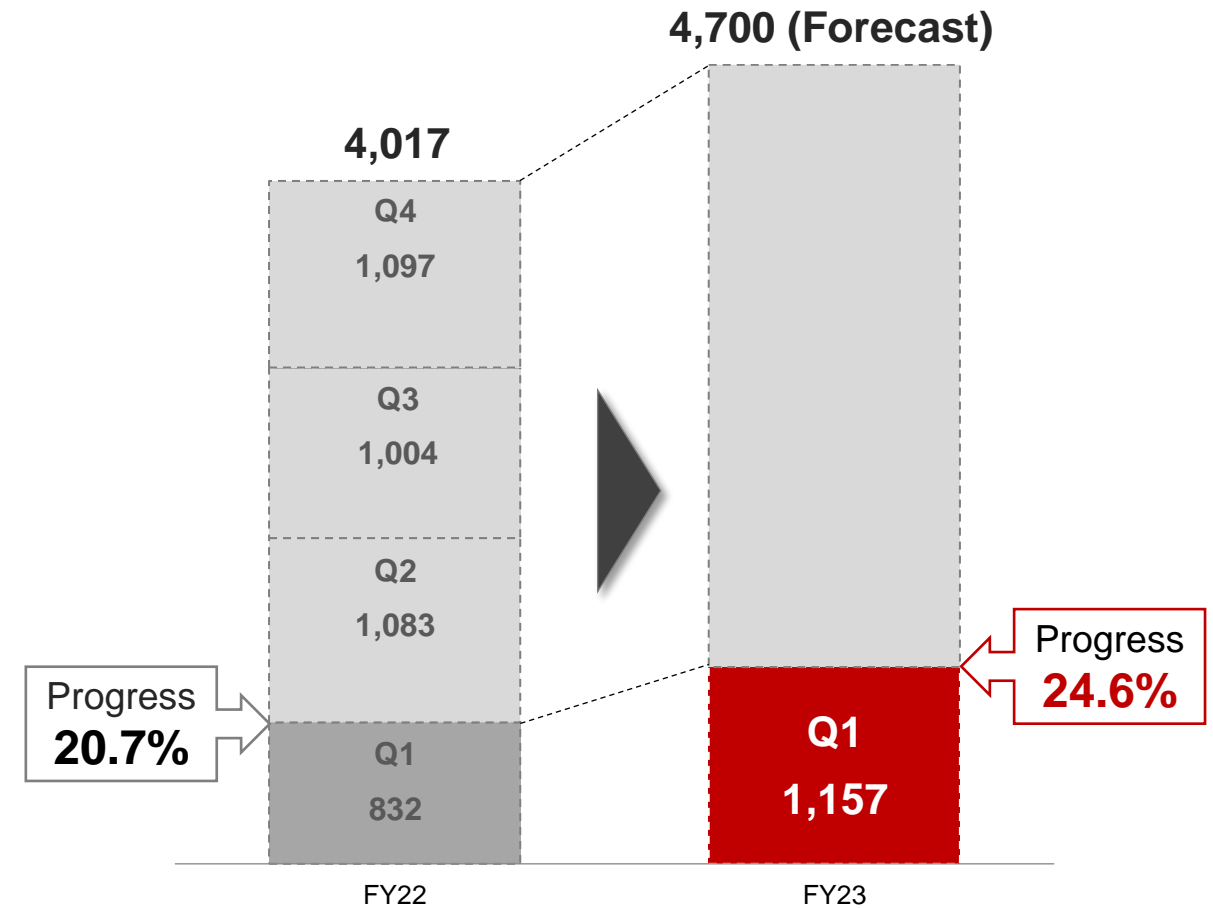
Full-Year Performance Outlook

- Both revenue and profit progressing according to **full-year forecast**
- **Quarterly performance** is to **increase gradually** from the further accumulation of loan receivables

Operating income



Profit before tax



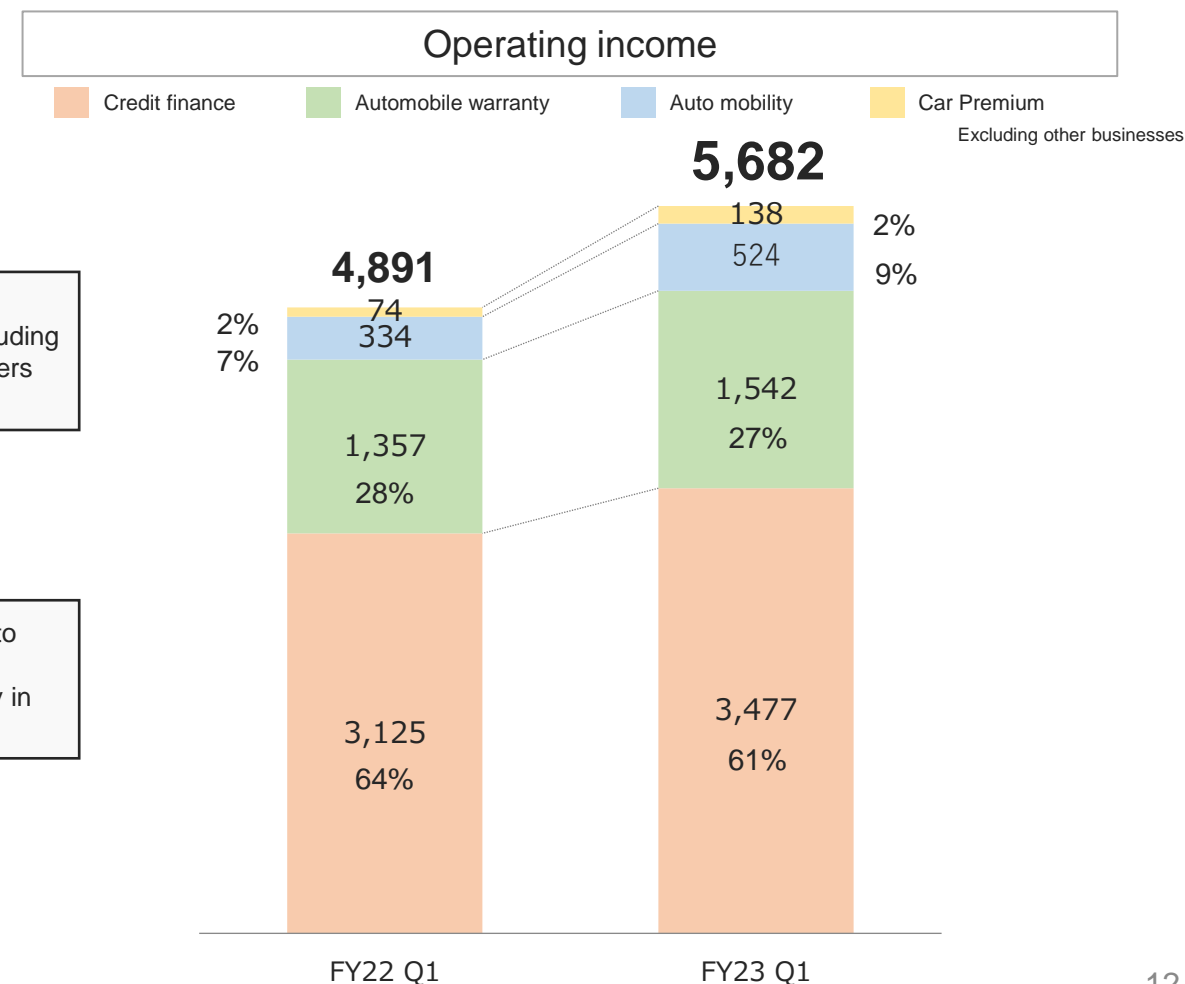
Performance by Segment

- Each segment steadily setting **new record highs for operating income**
- **New businesses** providing **greater share of operating income**

	FY23 Q1	
	Operating income	Profit before tax
Finance segment	3,477 Up 11.3% YoY	791 Up 21.9% YoY
Automobile warranty segment	1,542 Up 13.6% YoY	206 Down 2.0% YoY
Auto mobility segment	524 Up 57.1% YoY	52 +73 from FY22 Q1
Car Premium segment	138 Up 85.9% YoY	(33)
Other businesses	1	141
Total	5,682	1,157

Up 26.0% when excluding headquarters expenses

Expected to return to profitability in FY2023



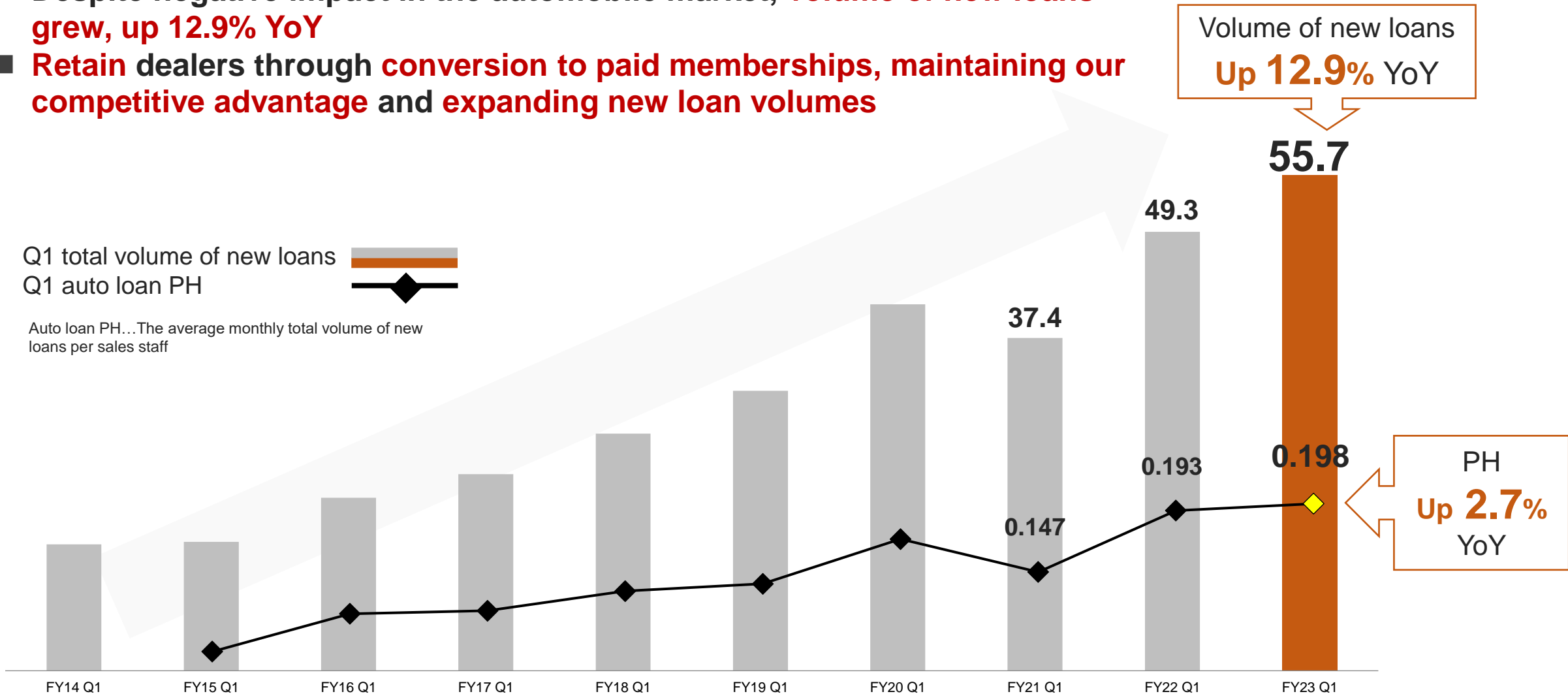
Notes: 1. Includes profits and losses from other businesses not included in reporting segments, netting of inter Group transactions and company wide profits and losses.
 2. Segment classification was changed from FY22. Profits and losses for each segment in FY21 is reflected only to the extent practicable.



2. Finance Segment

(Graph unit: billions of yen, %)

- Despite negative impact in the automobile market, **volume of new loans grew, up 12.9% YoY**
- **Retain dealers through conversion to paid memberships, maintaining our competitive advantage and expanding new loan volumes**



Notes: 1. "Total volume of new loans" refers to the total amount of credit and lease contracts newly signed in the period. The figures are inclusive of the total volume of new loans of products other than automotive credit financing (Ecology Credit, etc.), and are the actual results of Premium Co., Ltd.
 2. "PH" stands for "Per Head," which refers to the average monthly total volume of new loans or warranties per sales staff. The monthly total volume of new loans refers to the total of the amount of credit contracts newly signed in a month. The amount of credit contracts refers to the total amount of the balance of charges for the product and the split commission. Furthermore, PH represents the actual results of Premium Co., Ltd.
 3. In the FY ended March 31, 2021, the volume of new loans temporarily decreased due to voluntary restraint of sales operations amid the COVID-19 pandemic.

(Graph unit: billions of yen, %)

- Continued **elimination of initial arrears reduction** by achieving **efficient calling through DX measures**
- **Strengthened collection activities for medium- to long-term delinquencies** jointly with servicer subsidiary
- **Maintained a low delinquency rate** thanks to the above initiatives

Loan receivables
Up **16.9%** YoY

441.4

377.8

329.7

1.03

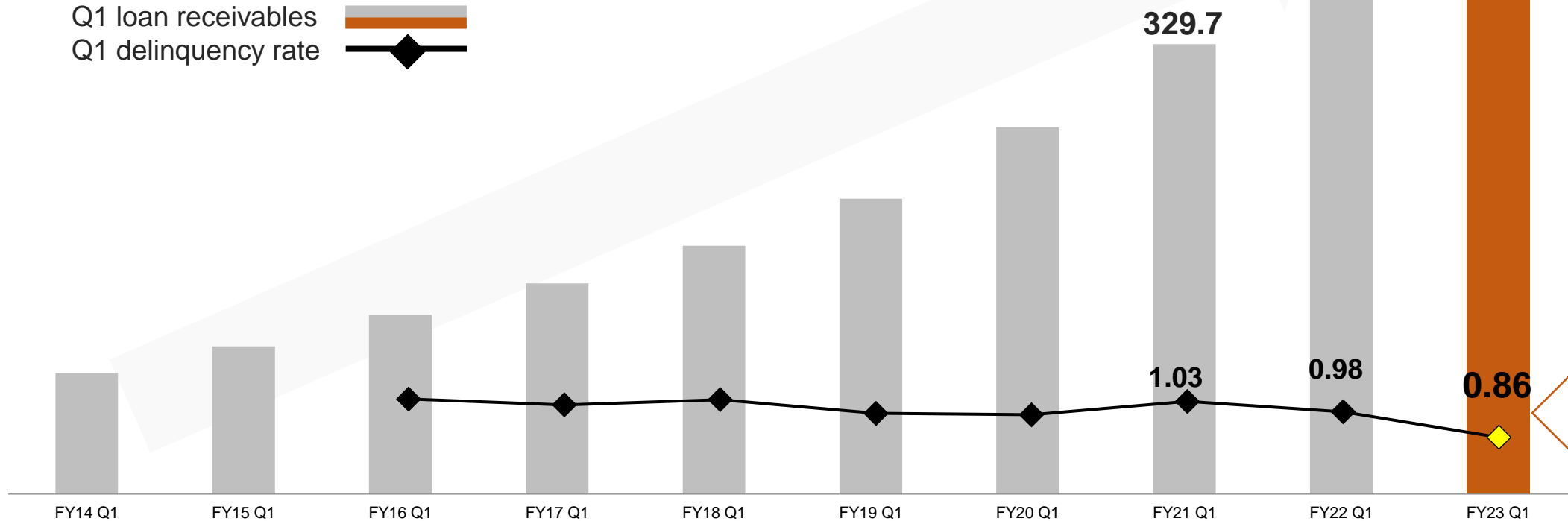
0.98

0.86

Delinquency rate:
Down
0.12% pts

Q1 loan receivables

Q1 delinquency rate



Notes: 1. "Loan receivables" refers to the total amount of credit and lease contracts that has not been repaid or for which the warranty period has not elapsed from the end of the period.

The figures are inclusive of the receivables balance of products other than automotive credit financing (Ecology Credit, etc.), and are the actual results of Premium Co., Ltd.

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

- Working to **promote utilization and increase share** among existing network stores while continuing to develop new network stores
- Though we have no plans to significantly increase our sales staff in FY2023, we aim to increase the volume of new loans by **establishing mechanisms and making sales activities more efficient**

Number of network stores

Up 7.5% YoY

26,238

- Continuing to develop new network stores
- Striving to promote utilization and expand share

Number of sales staff

Up 12 YoY

94

- Growing volume of new loans by converting to paid memberships and establishing mechanisms in the platform concept

Paperless introduction rate

Up 19.1% pts YoY

93.1%

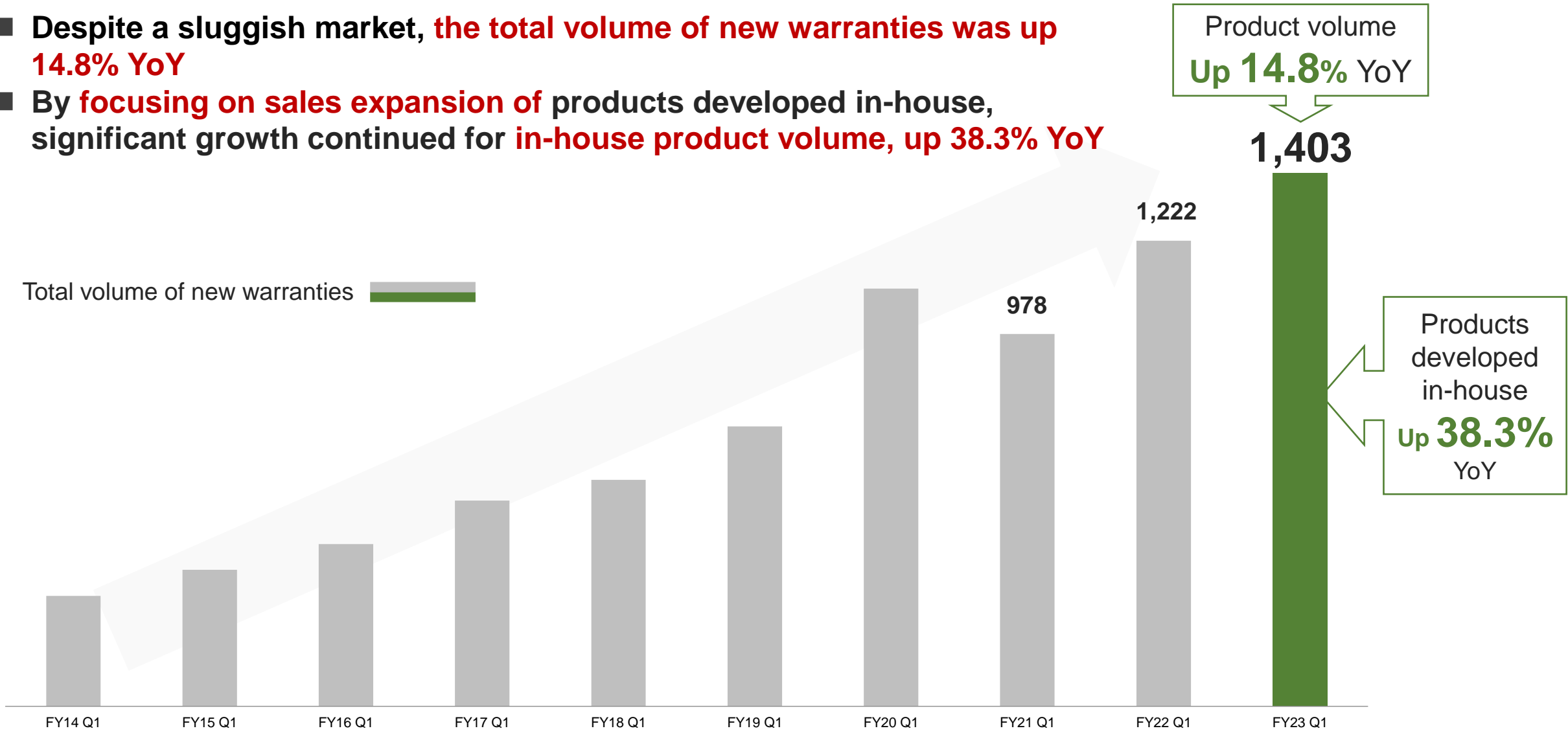
- Achieving more **efficient sales activities** through ongoing efforts to promote going paperless



3. Automobile Warranty Segment

(Graph unit: millions of yen)

- Despite a sluggish market, **the total volume of new warranties was up 14.8% YoY**
- By **focusing on sales expansion of products developed in-house**, significant growth continued for **in-house product volume, up 38.3% YoY**



Notes: 1. "Total volume of new warranties" refers to the total amount of warranty contracts newly signed in the period.
 2. The aggregation criteria for volume of certain products were reviewed in Q3 of FY2022. Figures presented here were calculated using the new criteria.

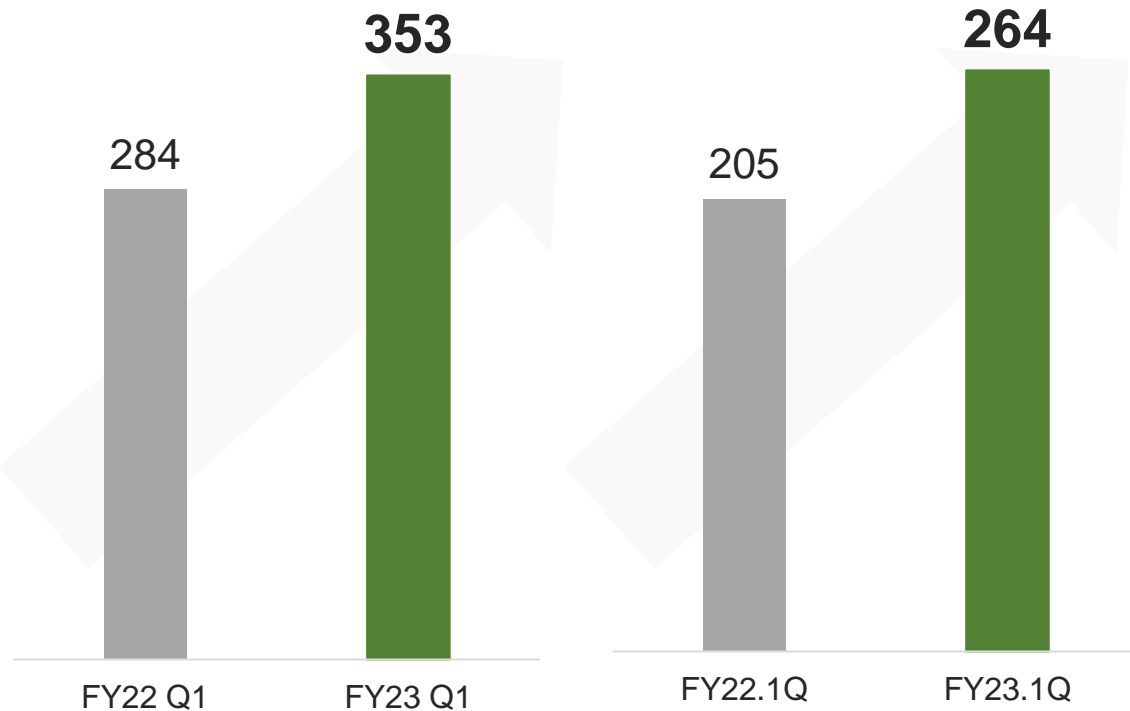
- **Limited cost of sales ratio** by promoting use of maintenance network and used parts procurement in-house
- **Growth** in parts sales even outside of intra-Group transactions

Parts sales (external)

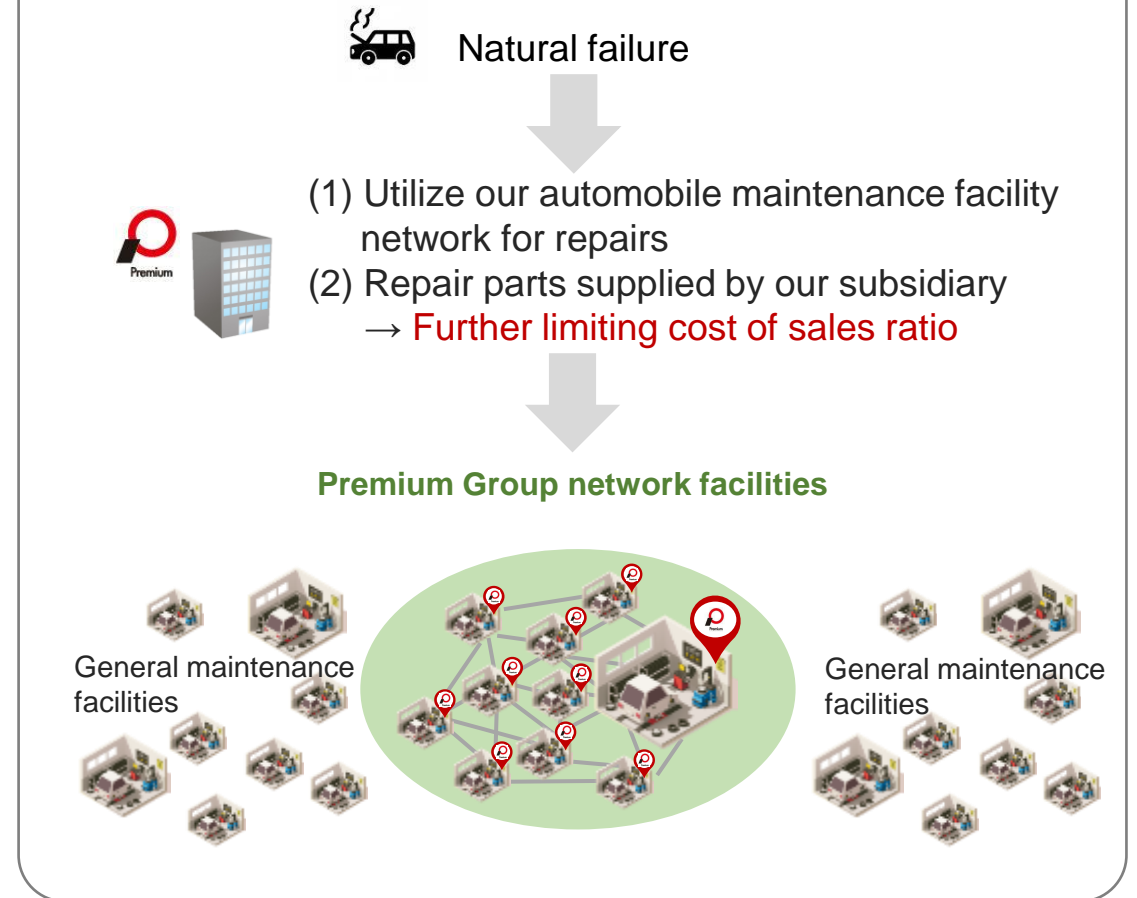
Parts sales (internal)

Up **24.2%** YoY

Up **28.5%** YoY



Mechanisms for reducing warranty cost

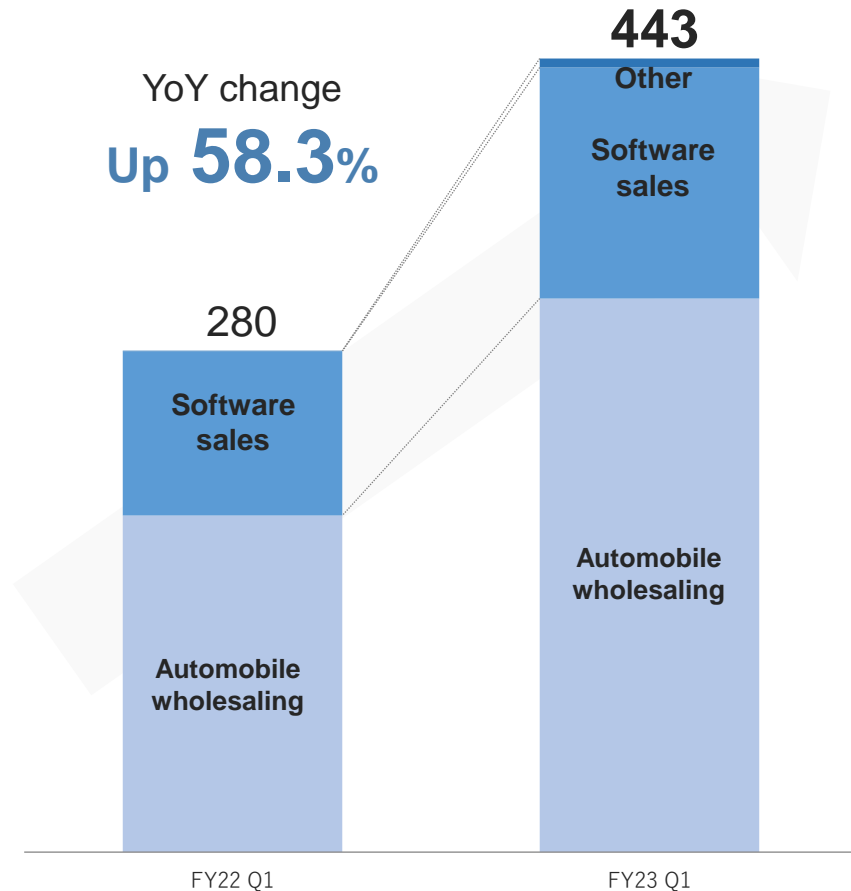




4. Auto Mobility Segment

- We have reclassified our segments as of FY2023, transferring the creation of membership organizations for maintenance facilities to the Car Premium segment
- In the auto mobility segment, we are focusing on **developing services for mobility providers and creating new businesses**

Auto mobility segment sales



Software sales

Up **40.7%** · Expanded sales by **strengthening sales capabilities**

Automobile wholesaling

Up **64.5%** · Increased sales mainly in the Car Premium Club
· **Plan to launch vehicle buybacks** using photographs from the Car Premium website

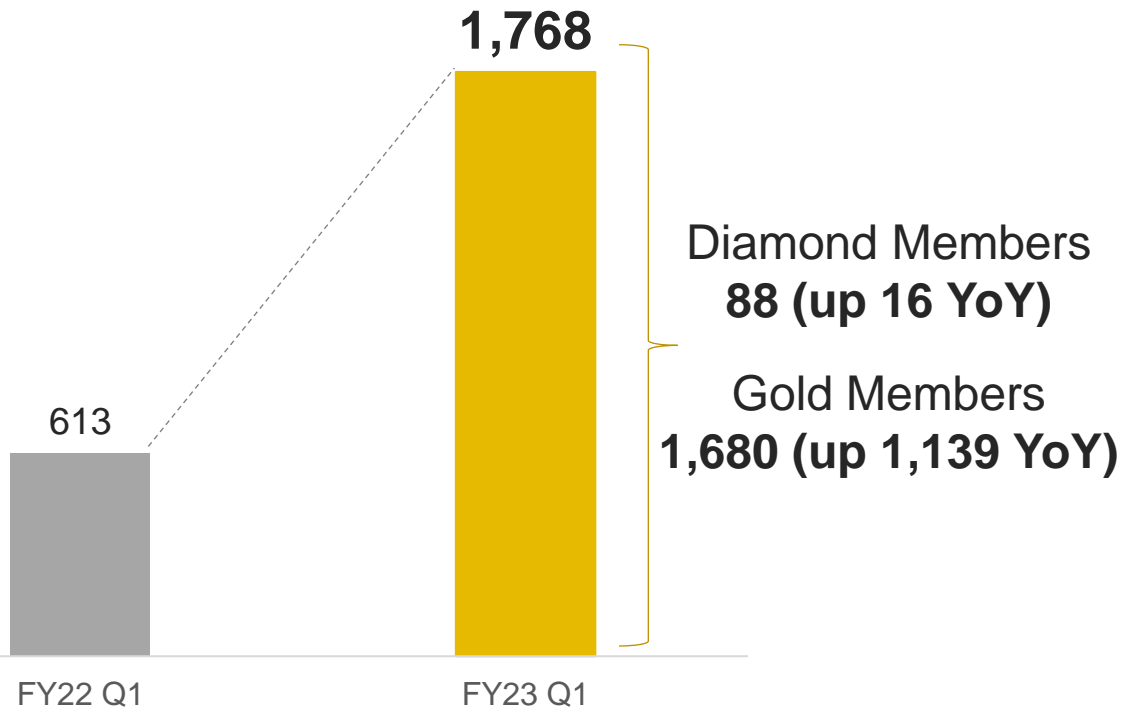


5. Car Premium Segment

- From FY2023, we have made this business **independent as the Car Premium segment**, aiming to further expand membership organizations
- **Steady progress in building** Car Premium Club, a paid membership organization for car dealers and maintenance facilities
- **By expanding our services**, we aim to grow our membership and our **transactions**

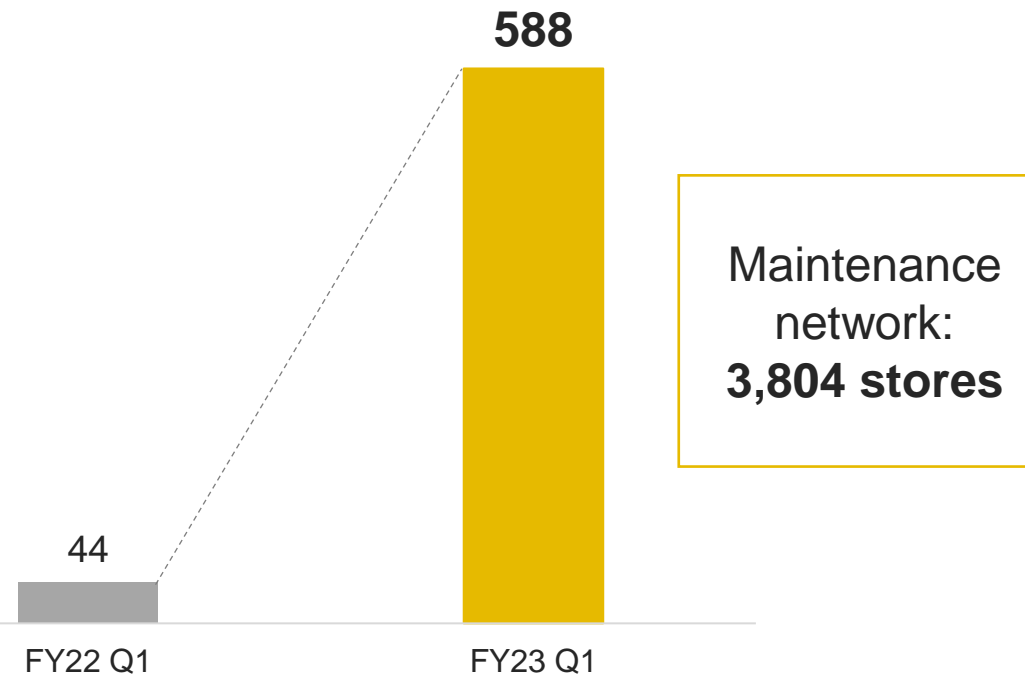
Car Premium Dealer

Up **1,155** YoY



Car Premium Garage

Up **544** YoY



■ Creating a new symbol and logo for the end-users



Design

Symbol

The silhouettes of the cars above and below shows that **we support all about cars** and represent a cycle that **provides peace of mind**.

Logo

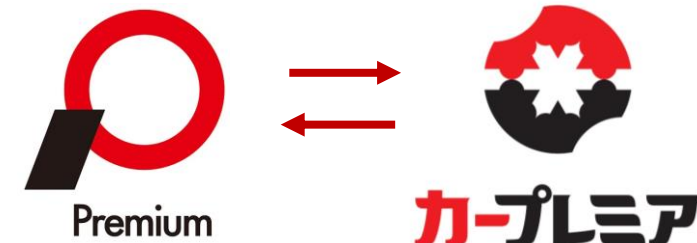
The boldness of the lettering gives a sense of **dependability** and **security**, while the wind-like detailing expresses a flowing, **smart service**.

Color

Using the Group's corporate colors, red is for **passion** and black is for **support**.

Use of Logo Marks

The existing logo will be used as the corporate logo, and the new logo will be used for end users in the future.



【Designer】

Taku Satoh

TSDO Inc.

Representative Director and Chairman Graphic Designers

2018 Minister of Education, Culture, Sports, Science and Technology

Award for Art Encouragement

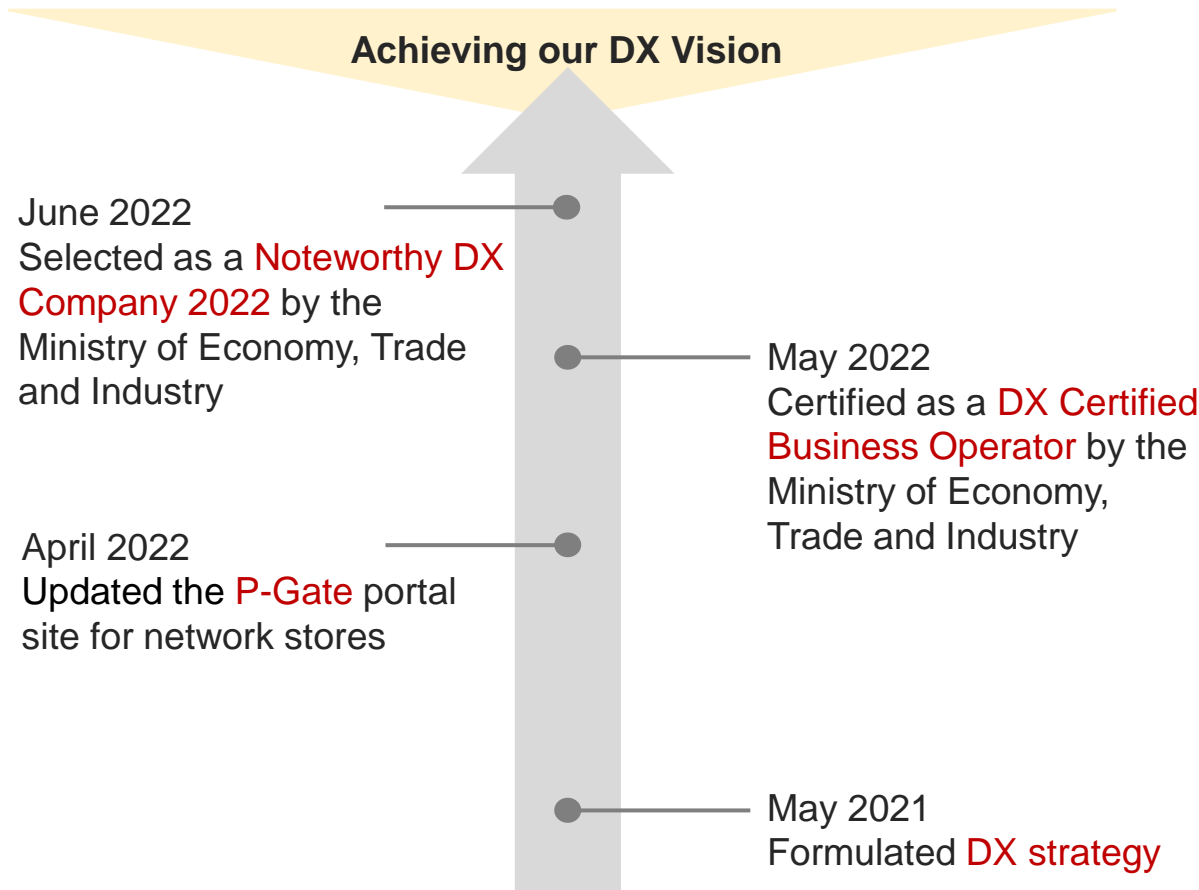
Medal with Purple Ribbon

numerous other awards




6. Other Topics

- In approximately one year from formulating our DX strategy, we **built our DX initiative platform** and became a **Noteworthy DX Company 2022** and a **DX Certified Business Operator**
- Seeking to **realize our concept as a platform provider** of connecting end-users and mobility providers



DX for end-users




Website for individual customers launches on July 22, 2022

This site offers:

- Options to get the best out of our customers' cars using our wide range of services
- Extensive after-sales support

DX for auto mobility providers



Login rates for mobility provider portal sites:

As of June 30, 2022

- All network stores: 90%
- Car Premium Dealer: 100%

→ Functions as a tool for communication with dealers



7. Appendix

Company Profile



Name	Premium Group Co., Ltd.
Securities Code / Exchange	7199 / Prime Market of Tokyo Stock Exchange
Established	May 25, 2015 Note: 2007 Established Premium Co., Ltd. (Former name: G-ONE Credit Services Co., Ltd.)
Head Office	The Okura Prestige Tower, 2-10-4 Toranomom, Minato-ku, Tokyo
President and Representative Director	Yohichi Shibata
Number of Issued Shares	13,394,990 (As of June 30, 2022)
Capital	¥1,668 million (non-consolidated: As of June 30, 2022)
Number of Employees	673 (consolidated; as of June 30, 2022) (Note) Number of persons employed by the Group excluding temporary workers
Main Shareholders	<ul style="list-style-type: none">• Nomura Securities Co., Ltd. (Nomura Asset Management Co., Ltd. and Nomura International PLC): 9.65%• Coupland Cardiff Asset Management: 6.99%• BNY Mellon Investment Management Japan Limited: 6.09%• Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset management Co.,Ltd.: 4.13% (As of March4, 2022; referencing the report on changes in large volume holdings, etc.)
Description of Business	<ul style="list-style-type: none">• Finance• Automobile warranty• Auto mobility• Car Premium (Building a membership organization of auto dealers and garages)• Finance, automobile warranty, auto mobility overseas (Thailand, Indonesia, the Philippines)

Premium Group is “Auto Mobility Company”
 We(contain car dealers and garages) providing rich car life with customers

Main Business

Finance

- ▷ **Main business**
 - Auto credit
 - Ecology credit
 - Shopping credit
 - Collection Agency

- ▷ **Main business connection**
 - Used car dealer

Auto Mobility Services

- ▷ **Main business**
 - Sales of software
 - Wholesale of automobiles
 - Auto lease

- ▷ **Main business connection**
 - Garage

Automobile Warranty

- ▷ **Main business**
 - Automobile warranty
 - Overseas expansion of automobile warranty (Thailand, Indonesia, Philippines)
 - Sales of used parts to domestic and overseas

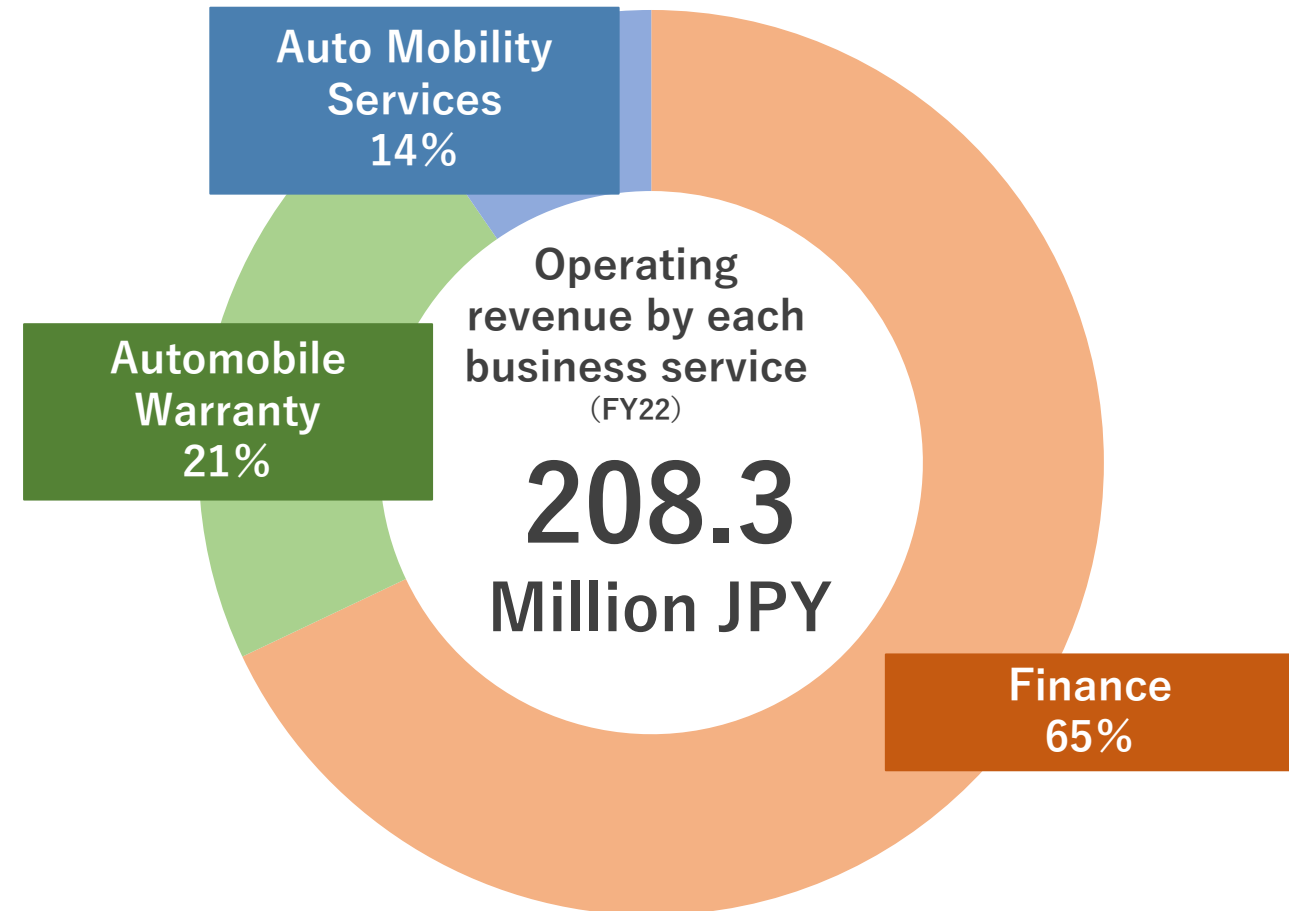
- ▷ **Main business connection**
 - Used car dealer, garage

Car Premium

- ▷ **Main business**
 - Building a membership organization
 - Maintenance and sheet metal

- ▷ **Main business connection**
 - Used car dealer, garage

Diversified Business Portfolio as an Independent Company



(Millions of yen)

	Q1.FY22 (As of June 30, 2021)	FY22 (As of March 31, 2022)	Q1.FY23 (As of June 30, 2022)	Compared to previous quarter	QoQ
Assets					
Cash and cash equivalents	6,962	11,433	10,040	+44.2%	△12.2%
Financing receivables	29,517	35,733	37,314	+26.4%	+4.4%
Other financial assets	5,352	5,786	6,114	+14.2%	+5.7%
Property, plant and equipment	3,613	3,648	3,415	△5.5%	△6.4%
Intangible assets	5,742	6,279	6,678	+16.3%	+6.3%
Goodwill	3,958	3,958	3,958	+0.0%	+0.0%
Investments accounted for using equity method	1,348	1,600	1,647	+22.2%	+3.0%
Deferred tax assets	2	3	3	+93.1%	+5.8%
Insurance assets	3,589	3,284	3,814	+6.3%	+16.1%
Other assets	8,231	10,075	9,631	+17.0%	△4.4%
Total assets	68,314	81,800	82,616	+20.9%	+1.0%
Liabilities					
Financial guarantee contracts	26,239	30,065	31,718	+20.9%	+5.5%
Borrowings	19,357	23,759	23,396	+20.9%	△1.5%
Other financial liabilities	6,111	7,248	6,841	+12.0%	△5.6%
Provisions	310	366	341	+9.9%	△6.9%
Income taxes payable	170	720	192	+13.1%	△73.3%
Deferred tax liabilities	1,438	1,238	1,371	△4.6%	+10.7%
Other liabilities	7,093	8,590	8,343	+17.6%	△2.9%
Total liabilities	60,718	71,987	72,203	+18.9%	+0.3%
Equity					
Equity attributable to owners of parent					
Share capital	1,627	1,700	1,700	+4.5%	+0.0%
Capital surplus	1,287	1,295	1,347	+4.6%	+4.0%
Retained earnings	5,709	7,722	8,228	+44.1%	+6.6%
Treasury shares	△ 1,201	△ 1,201	△ 1,150	△ 4.2%	△ 4.3%
Other components of equity	93	194	259	+180.3%	+33.9%
Total equity attributable to owners of parent	7,515	9,710	10,385	+38.2%	+7.0%
Non-controlling interests	80	103	28	△64.6%	△72.6%
Total equity	7,596	9,814	10,413	+37.1%	+6.1%
Total liabilities and equity	68,314	81,800	82,616	+20.9%	+1.0%

Notes: A portion of other financial assets in FY22.1Q was reclassified to financial receivables.

(Millions of yen)

(April 1 - June 30)	Q1.FY22	Q4.FY22	Q1.FY23	YoY	QoQ
	(April 1, 2021 - June 30, 2021)	(January 1, 2022 - March 31, 2022)	(April 1, 2022 - June 30, 2022)		
Operating income	4,891	5,496	5,682	+16.2%	+3.4%
Operating expenses	4,099	4,448	4,614	+12.6%	+3.7%
Operating profit	792	1,048	1,068	+34.9%	+1.9%
Share of profit of investments accounted for using equity methc	63	104	63	+0.6%	△39.4%
Other finance income	4	7	37	+736.2%	+409.4%
Other finance costs	27	63	11	△56.7%	△81.7%
Profit (loss) before tax	832	1,097	1,157	+39.0%	+5.5%
Income tax expense	224	192	312	+39.2%	+62.3%
Profit (loss)	608	905	845	+38.9%	△6.6%
Profit (loss) attributable to:					
Owners of parent	608	894	841	+38.3%	△6.0%
Non-controlling interests	0	10	4	+1368.1%	△58.9%

PL (Operating income/Operating expenses)

Note: Since it is a preliminary value, we will promptly notify you on our website when any corrections or changes occur.



(Millions of yen)

(April 1 - June 30)	Q1.FY22 (April 1, 2021 - June 30, 2021)	Q4.FY22 (January 1, 2022 - March 31, 2022)	Q1.FY23 (April 1, 2022 - June 30, 2022)	YoY	QoQ
Operating income					
Finance income	2,506	2,777	2,962	+18.2%	+6.7%
Impairment gain on financial assets	144	56	55	△61.7%	△2.1%
Warranty revenue	1,356	1,418	1,532	+12.9%	+8.0%
Other commission sales	530	528	543	+2.4%	+2.9%
Automobility-related sales	280	474	443	+58.3%	△6.6%
Revenue from the exercise of insurance policies	-	115	-	-	-
Other	74	127	147	+97.7%	+16.2%
Total	4,891	5,496	5,682	+16.2%	+3.4%
Operating expenses					
Finance costs	39	39	47	+20.7%	+18.5%
Guarantee commission	542	595	617	+13.9%	+3.7%
Employee benefit expenses	1,123	1,226	1,120	△0.3%	△8.7%
Warranty cost	826	804	911	+10.3%	+13.4%
Automobility-related costs	207	325	305	+47.4%	△6.1%
System operation costs	213	192	199	△6.5%	+3.4%
Depreciation	309	349	350	+13.5%	+0.5%
Taxes and dues	174	171	218	+25.5%	+27.7%
Commission expenses	250	257	275	+10.0%	+7.0%
Rent expenses on land and buildings	13	12	14	+9.9%	+23.7%
Outsourcing expenses	138	156	170	+23.5%	+9.1%
Other operating expenses	267	323	388	+45.4%	+20.1%
Total	4,099	4,448	4,614	+12.6%	+3.7%



カープレミア

IR information in this material is for providing financial data and economic condition of Premium Group Co., Ltd. (Hereinafter "Company"). However, this information should not announce and guarantee its contents. Statements contained herein that relate to the future operating performance and strategy of the Company are forward looking statements. Forward looking statements are based on judgments made by the Company's management based on information that is available to it as of the date those statements were made. Forward looking statements involve inherent known and unknown risks, uncertainties and contingencies. Many of these risks and uncertainties relate to factors such as future market conditions, currency fluctuations, the behavior of other market participants, the exchange rate, tax system and so on. Therefore, it is possible that business performance will be change and the Company is not responsible for loss resulted from this change. The Company puts information in this material with meticulous care. However, the Company is not responsible for any information errors, manipulations by outsider computer system errors, and so on. Copyrighted materials in this are under copyright protection. It is prohibited to reproduce, reorganize, translate, distribute or exhibit this material. This material is not for the purpose of investment invitation. Any investment decision with respect to the shares of common stock of the Company should not be based on this material fully but be made solely.