



# Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [IFRS]

April 26, 2024

Company Name: Premium Group Co., Ltd. Listed on the Tokyo Stock Exchange

Stock Code: 7199 URL <https://www.premium-group.co.jp/>

Representative: Yohichi Shibata, President and Representative Director, Group CEO and COO

Contact: Tomohiro Kanazawa, Director and Managing Executive Officer, Group CFO

Tel. 03-5114-5708

Scheduled date of regular general meeting of shareholders: June 26, 2024 Scheduled date of commencement of dividend payment: June 6, 2024

Scheduled date of securities report submission: June 27, 2024

Supplementary material for financial results prepared: Yes

Financial results meeting held: No

(Consolidated financial results, Nonconsolidated financial results:  
Amounts are rounded to the nearest million yen.)

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

### (1) Consolidated Operating Results (% change from previous fiscal year)

	Operating income		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	31,546	23.9	6,195	45.9	6,241	16.8	4,617	15.3	4,608	15.4
Fiscal year ended March 31, 2023	25,465	20.9	4,245	9.9	5,344	33.0	4,003	37.1	3,994	37.8

	Total comprehensive income		Basic earnings per share	Diluted earnings per share	Ratio of earnings to equity attributable to owners of parent	Ratio of pretax profit to total assets
	Million yen	%	Yen	Yen	%	%
Fiscal year ended March 31, 2024	4,743	16.1	119.39	118.89	32.2	5.5
Fiscal year ended March 31, 2023	4,086	35.7	103.17	102.50	34.8	5.8

Reference: Equity method investment profit/loss FY Ended March 31, 2024 119 million yen FY Ended March 31, 2023 1,075 million yen

- (Notes) 1. Due to a change in accounting policies, "Operating income" and "Profit" used in the previous consolidated fiscal year has been changed.
2. According to the resolution adopted by the Board of Directors on July 20, 2022, the Company split its shares at a ratio of 3 shares for every 1 common stock as of September 1, 2022. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the shares were split at the beginning of the previous consolidated fiscal year.

### (2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent ratio	Equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2024	125,274	15,351	15,310	12.2	404.11
Fiscal year ended March 31, 2023	101,431	13,353	13,322	13.1	342.54

- (Notes) 1. Due to a change in accounting policies, figures used in the previous consolidated fiscal year has been changed.
2. According to the resolution adopted by the Board of Directors on July 20, 2022, the Company split its shares at a ratio of 3 shares for every 1 common stock as of September 1, 2022. The segment attributable to the owners of parent per share has been calculated based on the assumption that the shares were split at the beginning of the previous consolidated fiscal year.

### (3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	2,489	(3,093)	6,892	21,139
Fiscal year ended March 31, 2023	(449)	(2,320)	6,181	14,848

## 2. Dividends

	Annual dividend					Total dividends (total)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of parent (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	—	10.00	—	11.00	21.00	815	20.4	3.8
Fiscal year ended March 31, 2024	—	13.00	—	15.00	28.00	1,075	23.5	7.5
Fiscal year ending March 31, 2025 (forecast)	—	20.00	—	20.00	40.00		28.1	

(Notes) 1. Revisions to the most recent dividend forecasts: Yes

2. Due to a change in accounting policies, "Payout ratio" used in the previous consolidated fiscal year has been changed.

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

(April 1, 2024 to March 31, 2025)

	Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2025	40,000	26.8	8,000	28.2	5,400	16.9	5,400	17.2	139.57

### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates

1) Changes in accounting policies required by IFRS : Yes

2) Changes in accounting policies for other reasons : None

3) Changes in accounting estimates : None

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at end of period (including treasury shares)

Fiscal year ended March 31, 2024	40,470,570 shares	Fiscal year ended March 31, 2023	40,327,770 shares
Fiscal year ended March 31, 2024	2,584,309 shares	Fiscal year ended March 31, 2023	1,437,844 shares
Fiscal year ended March 31, 2024	38,596,438 shares	Fiscal year ended March 31, 2023	38,716,966 shares

2) Number of treasury shares at end of period

3) Average number of shares during period

(Notes) According to the resolution adopted by the Board of Directors on July 20, 2022, the Company split its shares at a ratio of 3 shares for every 1 common stock as of September 1, 2022. The number of shares issued and outstanding at end of period, the number of treasury shares at end of period, and average number of shares during period have been calculated on the assumption that the shares were split at the beginning of the previous consolidated fiscal year.

## Reference: Summary of nonconsolidated financial results

### 1. Nonconsolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Nonconsolidated Operating Results (% change from previous fiscal year)

	Operating income		Operating profit		Ordinary income		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2024	4,571	23.0	2,125	8.7	2,045	6.8	1,841	(3.9)
Fiscal year ended March 31, 2023	3,716	19.9	1,955	28.7	1,914	29.8	1,916	34.2

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	47.70	47.50	47.50	47.50
Fiscal year ended March 31, 2023	49.48	49.16	49.16	49.16

(Notes) According to the resolution adopted by the Board of Directors on July 20, 2022, the Company split its shares at a ratio of 3 shares for every 1 common stock as of September 1, 2022. Earnings per share and net income per share after dilution have been calculated on the assumption that the shares were split at the beginning of the previous consolidated fiscal year.

## (2) Nonconsolidated Financial Position

	Total assets	Net assets	Equity capital ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2024	14,414	5,894	39.6	155.58
Fiscal year ended March 31, 2023	14,197	6,850	47.6	176.15

Reference: Equity capital      FY Ended March 31, 2024      5,701 million yen      FY Ended March 31, 2023      6,751 million yen

Note: 1. Financial figures for nonconsolidated financial results are calculated based on Japanese GAAP.  
2. According to the resolution adopted by the Board of Directors on July 20, 2022, the Company split its shares at a ratio of 3 shares for every 1 common stock as of September 1, 2022. Net assets per share have been calculated on the assumption that the shares were split at the beginning of the previous consolidated fiscal year.

\* Consolidated financial results are not subject to audits by a certified public accountant or auditing firm.

\* Note to ensure appropriate use of forecasts and other remarks

1. For additional information on financial results, also refer to the explanatory materials on financial results released today.

Financial results explanatory materials: <https://ir.premium-group.co.jp/en/index.html>

2. The above consolidated earnings forecasts have been prepared based on the information we have obtained as of the date of publication of this material and certain assumptions that we deem reasonable, and the actual earnings will depend on various factors in the future. It may differ from the expected value.

○ Contents of Attachments

1. Summary of Business Results .....	5
2. Basic Thinking on Selection of Accounting Standards .....	9
3. Consolidated Financial Statements and Major Notes .....	10
(1) Consolidated Statement of Financial Position .....	10
(2) Consolidated Statement of Profit and Loss .....	11
(3) Consolidated Statement of Comprehensive Income .....	12
(4) Consolidated Statement of Changes in Equity .....	13
(5) Consolidated Statement of Cash Flows .....	15
(6) Notes on the Consolidated Financial Statements .....	16
(Notes concerning the going-concern assumption) .....	16
(Changes in accounting policies) .....	16
(Changes in presentation methods) .....	17
(Changes in accounting estimates) .....	17
(Segment Information, etc.) .....	17
(Earnings per share) .....	20
(Important subsequent events) .....	20

## 1. Summary of Business Results

### (1) Summary of business results during the period under review

The Japanese economy saw social and economic activity return to normal during the consolidated fiscal year under review (April 1, 2023 to March 31, 2024). Consumer spending rose, primarily for services, while inbound demand grew after COVID-19 was downgraded to a Category 5 infectious disease. At the same time, with rising interest rates, the persistent weakness of the yen, and continuing inflationary trends driven in part by energy supply shortages related to geopolitical instability, the outlook remains uncertain. In the used vehicle market, the Group's main target, 5,420,429 vehicles were registered in Japan from April 2023 to March 2024. This figure, the total figure for ordinary passenger vehicles, compact passenger vehicles, and light four-wheel passenger vehicles, is up 3.1% from the previous consolidated fiscal year and exceeds results for the previous year. (Source: Statistical data from the Japan Automobile Dealers Association and Japan Mini Vehicle Association)

Taking steps to ensure thoroughgoing compliance and the agility needed to respond to the changing environment, including changes in the regulatory environment, we will strive to fulfill our mission: to help establish a prosperous society by providing top-level financing and services to the world and to foster broadminded employees with a positive outlook committed to generating results. In addition to Credit Finance and Auto Warranty services, to expand business interactions and accelerate growth in the scope of our operations and earnings, we provide a comprehensive line of auto mobility services that support vehicle dealers and auto repair shops, our major client base. At the same time, we are taking on the challenge of implementing various initiatives to realize a new growth model.

Provided below is a summary of the current consolidated fiscal year under review (excluding revenue from internal sales between segments). The Group revised its reporting segments during the consolidated fiscal year; segment information from the previous consolidated fiscal year is calculated in the same way as for the current consolidated fiscal year to the extent feasible. Thus, segment information provided for the preceding year includes restatements that reflect these revisions.

In the Finance Business, numbers of new vehicles produced recovered alongside recovery in the number of available used vehicles, the spike in prices for used vehicles subsided, and the used vehicle market showed signs of recovery. In this environment, the Company continued to maintain its competitive advantage and engaged in promotion activities targeting automobile dealers becoming paying members. In addition, more efficient collections of overdue receivables achieved by expanding the workforce and deploying system tools to promote digital transformation (DX) and continuing efforts to strengthen services provided attributable to the consolidated subsidiary Central Servicer Corporation resulted in operating income of 17,810 million yen (up 18.6% from the previous consolidated fiscal year), and segment income of 4,699 million yen (up 40.2% from the previous consolidated fiscal year).

In the Automobile Warranty Business, as with the Finance Business, the used vehicle market showed signs of recovery. Efforts to promote sales of proprietary products and partner products and to acquire new products boosted the total volume of new warranties from the preceding two years, resulting in operating income was 7,851 million yen (up 18.5% from the previous consolidated fiscal year). The Group also sought to cut costs by adding vehicles to the Group's maintenance network and using used parts procured from Group companies for repairs. This resulted in segment income of 858 million yen (up 67.8% from the previous consolidated fiscal year).

In the Automotive Mobility Services Business, we attribute this result to our focus on developing paying member services and expanding new businesses, as well as growth in software sales and wholesale vehicle sales due to the expanding paying member structure and stronger sales to credit card member dealers. Operating income was 5,874 million yen (up 54.0% from the previous consolidated fiscal year), while segment profit was 673 million yen (up 77.8% from the previous consolidated fiscal year).

In our international business, gains on equity method investments were 119 million yen (down 89.0% from the previous consolidated fiscal year) due in part to the impact of one-off profits recorded in the previous term by Eastern Commercial Leasing p.l.c. in Thailand.

Operating costs were 25,351 million yen (up 19.5% from the previous consolidated fiscal year). Measures to cut costs, including cost-cutting in the Automobile Warranty Business and systemizing various business processes through digital transformation (DX), helped absorb increases in various expenses generated by business expansion.

For the consolidated fiscal year under review, these factors resulted in operating income of 31,546 million yen (up 23.9% from the previous consolidated fiscal year); operating profit of 6,195 million yen (up 45.9% from

the previous consolidated fiscal year); profit before tax of 6,241 million yen (up 16.8% from the previous consolidated fiscal year); and profit attributable to owners of the parent of 4,608 million yen (up 15.4% from the previous consolidated fiscal year).

(2) Summary of financial position during the period under review

(Assets)

At the end of the consolidated fiscal year under review, total assets stood at 125,274 million yen, up 23,843 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 11,416 million yen in financial receivables and 6,293 million yen in cash and cash equivalents.

(Liabilities)

At the end of the consolidated fiscal year under review, total liabilities stood at 109,923 million yen, up 21,845 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 10,651 million yen in borrowings and 8,908 million yen in financial guarantee contracts.

(Capital)

At the end of the consolidated fiscal year under review, total capital stood at 15,351 million yen, up 1,998 million yen from the end of the previous consolidated fiscal year, due mainly to an increase of 3,674 million yen in retained earnings and other factors. Total equity attributable to owners of parent increased by 1,989 million yen from the end of the previous consolidated fiscal year to 15,310 million yen.

(3) Cash flow position during the period under review

A look at cash flow during the consolidated fiscal year under review shows total cash flow from operating activities of 2,489 million yen (vs. 449 million yen in cash flow used in operating activities in the previous consolidated fiscal year); total cash flow used in investing activities of 3,093 million yen (vs. 2,320 million yen in cash flow used in investing activities in the previous consolidated fiscal year); and total cash flow from financing activities of 6,892 million yen (vs. 6,181 million yen in cash flow from financing activities in the previous consolidated fiscal year). Cash and cash equivalents (“funds” hereinafter) at the end of this consolidated fiscal year stood at 21,139 million yen, up 6,292 million yen from the end of the previous consolidated fiscal year.

The status of each type of cash flow and key associated factors for the consolidated fiscal year are summarized below.

(Cash flow from operating activities)

Funds secured from operating activities during the consolidated fiscal year under review totaled 2,489 million yen. Major revenues from operating activities included an increase of 8,908 million yen in financial guarantee contracts and 6,241 million yen in profit before tax. Major expenditures included an increase of 11,136 million yen in financial receivables and an increase of 3,699 million yen in other assets.

(Cash flow from investing activities)

Funds diverted to investments during the consolidated fiscal year under review totaled 3,093 million yen. Major expenditures on investment efforts included expenditures of 1,748 million yen on the acquisition of intangible assets and 462 million yen in payments of guarantee deposits.

(Cash flow from financing activities)

Funds secured from financing activities during the consolidated fiscal year under review totaled 6,892 million yen. Major revenues from financing activities included 21,004 million yen in proceeds from long-term loans. Major expenditures included 9,384 million yen in repayments of long-term loans, 2,062 million yen in payments for purchase treasury shares, and 1,000 million yen in repayments of short-term loans.

(4) Future outlook

The outlook for the used vehicle market, our primary market, is expected to remain uncertain during the next consolidated fiscal year (April 1, 2024 to March 31, 2025). With pandemic conditions fading and social and economic activities returning to normal, the global shortage of semiconductors began to dissipate. Amid these shifts, resource prices surged due to geopolitical instability, while concerns of economic slowdown grew as countries tightened monetary policies.

However, given the essential role of cars in consumer activity, we expect the used vehicle market to exhibit firm and stable demand. We anticipate growth in our consolidated results for the next consolidated fiscal year. Even in the challenging current market environment, the Group will seek to maximize synergies among its three main businesses while working to strengthen public recognition of the Group's Car Premium service brand. We will also strive to improve results by expanding the number of paying member organizations and strengthening our network.

To establish the Car Premium Business model specified in ONE & ONLY 2026, the medium-term management plan launched in the fiscal year ended March 31, 2024, we will build on the platform established to date by adding paying member organizations and expanding services while combining the uniqueness of the Group's three main businesses to become a ONE & ONLY (unique) automotive mobility company capable of growth in leaps and bounds. Moreover, we will continue to work to realize our mission: to provide the best financing and services to people all over the world.



2. **Basic Thinking on Selection of Accounting Standards**

Since the fiscal year ended March 2016 (fiscal year no. 1), the Group has applied the International Financial Reporting Standards (IFRS) to make international comparisons more useful, improve access to financial information in capital markets, and facilitate the preparation of consolidated financial statements for the Group, including overseas affiliates.

3. Consolidated Financial Statements and Major Notes  
 (1) Consolidated Statement of Financial Position

	(Unit: million yen)	
	Previous consolidated fiscal year (March 31, 2023)	This consolidated fiscal year (March 31, 2024)
Assets		
Cash and cash equivalents	14,857	21,150
Financial receivables	45,003	56,419
Other financial assets	6,281	7,524
Property, plant, and equipment	3,074	2,837
Intangible assets	7,930	8,914
Goodwill	3,958	3,958
Investments accounted for using equity method	2,624	3,173
Deferred tax assets	5	14
Insurance assets	4,465	6,893
Other assets	13,234	14,393
<b>Total assets</b>	<b>101,431</b>	<b>125,274</b>
Liabilities		
Financial guarantee contracts	36,818	45,726
Auto warranty advances	6,030	7,184
Borrowings	31,682	42,333
Other financial liabilities	7,855	8,063
Provisions	363	383
Income taxes payable	603	1,164
Deferred tax liabilities	1,360	1,236
Other liabilities	3,367	3,835
<b>Total liabilities</b>	<b>88,078</b>	<b>109,882</b>
Equity		
Equity attributable to owners of parent		
Capital	1,700	1,700
Share premium	1,415	1,534
Treasury shares	10,952	14,626
Retained earnings	(1,088)	(3,109)
Other components of equity	343	559
<b>Total equity attributable to owners of parent</b>	<b>13,322</b>	<b>15,310</b>
Non-controlling interests	31	40
<b>Total equity</b>	<b>13,353</b>	<b>15,351</b>
<b>Total liabilities and equity</b>	<b>101,431</b>	<b>125,274</b>

## (2) Consolidated Statement of Profit and Loss

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	This consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Operating income	25,465	31,546
Operating expense	21,220	25,351
Operating profit	4,245	6,195
Share of profit of investments accounted for using equity method	1,075	119
Other finance income	59	13
Other finance cost	35	86
Profit before tax	5,344	6,241
Income tax expense	1,341	1,623
Profit	4,003	4,617
Attributable to		
Owners of parent	3,994	4,608
Non-controlling interests	9	10
Profit	4,003	4,617
Earnings per share attributable to owners of parent		
Basic earnings per share (yen)	103.17	119.39
Diluted earnings per share (yen)	102.50	118.89

(Notes) According to the resolution adopted by the Board of Directors on July 20, 2022, the Company split its shares at a ratio of 3 shares for every 1 common stock as of September 1, 2022. Basic earnings per share, and Diluted earnings per share period have been calculated on the assumption that the shares were split at the beginning of the previous consolidated fiscal year.

(3) Consolidated Statement of Comprehensive Income

	(Unit: million yen)	
	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	This consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Profit	4,003	4,617
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	12	(2)
Share of other comprehensive income of investments accounted for using equity method	71	128
Other comprehensive income (net of tax)	83	126
Comprehensive income	4,086	4,743
Attributable to:		
Owners of parent	4,079	4,734
Non-controlling interests	7	9
Comprehensive income	4,086	4,743

## (4) Consolidated Statement of Changes in Equity

(Unit: million yen)

	Equity attributable to owners of parent					
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity	
					Exercise of warrants	Share of other comprehensive income of investments accounted for using equity method
Balance as of April 1, 2022	1,700	1,295	7,722	(1,201)	40	158
Cumulative impact of changes in accounting policies	-	-	(43)	-	-	-
Starting balance reflecting changes in accounting policies	1,700	1,295	7,679	(1,201)	40	158
Comprehensive income						
Profit	-	-	3,994	-	-	-
Other comprehensive income	-	-	-	-	-	71
Total comprehensive income	-	-	3,994	-	-	71
Transactions with owners, etc.						
Issuance of new shares	-	15	-	-	(3)	-
Dividends	-	-	(722)	-	-	-
Capital transactions with non-controlling interests	-	28	-	52	-	-
Share-based payment transactions	-	77	-	61	68	-
Total transactions with owners, etc.	-	120	(722)	113	64	-
Balance as of March 31, 2023	1,700	1,415	10,952	(1,088)	105	230
Comprehensive income						
Profit	-	-	4,608	-	-	-
Other comprehensive income	-	-	-	-	-	128
Total comprehensive income	-	-	4,608	-	-	128
Transactions with owners, etc.						
Issuance of new shares	-	15	-	-	(3)	-
Purchase of treasury shares	-	(0)	-	(2,062)	-	-
Dividends	-	-	(934)	-	-	-
Share-based payment transactions	-	104	-	41	93	-
Total transactions with owners, etc.	-	119	(934)	(2,021)	90	-
Balance as of March 31, 2024	1,700	1,534	14,626	(3,109)	195	357

(Unit: million yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2022	(5)	194	9,710	103	9,814
Cumulative impact of changes in accounting policies	-	-	(43)	-	(43)
Starting balance reflecting changes in accounting policies	(5)	194	9,667	103	9,770
Comprehensive income					
Profit	-	-	3,994	9	4,003
Other comprehensive income	13	85	85	(2)	83
Total comprehensive income	13	85	4,079	7	4,086
Transactions with owners, etc.					
Issuance of new shares	-	(3)	12	-	12
Dividends	-	-	(722)	-	(722)
Capital transactions with non-controlling interests	-	-	79	(79)	-
Share-based payment transactions	-	68	206	-	206
Total transactions with owners, etc.	-	64	(424)	(79)	(504)
Balance as of March 31, 2023	8	343	13,322	31	13,353
Comprehensive income					
Profit	-	-	4,608	10	4,617
Other comprehensive income	(2)	126	126	(0)	126
Total comprehensive income	(2)	126	4,734	9	4,743
Transactions with owners, etc.					
Issuance of new shares	-	(3)	12	-	12
Purchase of treasury shares	-	-	(2,062)	-	(2,062)
Dividends	-	-	(934)	-	(934)
Share-based payment transactions	-	93	239	-	239
Total transactions with owners, etc.	-	90	(2,745)	-	(2,745)
Balance as of March 31, 2024	7	559	15,310	40	15,351

## (5) Consolidated Statement of Cash Flows

	(Unit: million yen)	
	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	This consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Cash flow from operating activities		
Profit before tax	5,344	6,241
Depreciation and amortization expense	1,419	1,640
Other gains and losses	158	396
Decrease (increase) in financial receivables	(9,270)	(11,136)
Increase (decrease) in financial guarantee contracts	6,751	8,908
Decrease (increase) in other financial assets	(458)	(1,147)
Increase (decrease) in other financial liabilities	922	772
Decrease (increase) in other assets	(4,264)	(3,699)
Increase (decrease) in other liabilities	1,208	1,633
Share of loss (profit) of investments accounted for using equity method	(1,075)	(119)
Other	336	268
Subtotal	1,071	3,756
Interest received	1	2
Dividends received	(207)	(336)
Interest paid	148	119
Income taxes paid	(1,622)	(1,254)
Income taxes refunded	160	203
Cash flow from (used in) operating activities	(449)	2,489
Cash flow from investing activities		
Purchase of property, plant, and equipment	(319)	(385)
Proceeds from sales of property, plant, and equipment	82	11
Purchase of intangible assets	(1,836)	(1,748)
Purchase of investment securities	(100)	(350)
Cash flow from acquisition of subsidiary	10	18
Purchase of equity method investments	-	(373)
Payments for loans receivable	(32)	(14)
Collection of loans receivable	21	20
Payments for guarantee deposits	(293)	(462)
Proceeds from collection of guarantee deposits	139	190
Other	7	(1)
Cash flow from (used in) investing activities	(2,320)	(3,093)
Cash flow from financing activities		
Proceeds from short-term loans	3,500	-
Repayments of short-term loans	(2,600)	(1,000)
Proceeds from long-term loans	13,358	21,004
Repayments of long-term loans	(6,349)	(9,384)
Repayments of lease obligations	(849)	(880)
Payments for purchase of treasury shares	(0)	(2,062)
Dividends paid	(722)	(934)
Other	(158)	148
Cash flow from financing activities	6,181	6,892
Net increase (decrease) in cash and cash equivalents	3,412	6,287
Cash and cash equivalents at beginning of period	11,433	14,848
Effect of exchange rate changes on cash and cash equivalents	3	5
Cash and cash equivalents at end of period	14,848	21,139

(6) Notes on the Consolidated Financial Statements  
 (Notes concerning the going-concern assumption)  
 Not applicable

(Changes in accounting policies)

With the following exceptions, the main accounting policies applied by the Group to its consolidated financial statements remain the same as those applied in the previous consolidated fiscal year.

The Group is applying the following standards as of the consolidated fiscal year under review:

Standard	Standard name	Summary of new policy or revision
IFRS 17	Insurance contracts	Revision(s) related to insurance contracts
IAS 12	Income taxes	Clarification of accounting treatment for deferred taxes related to assets and liabilities arising from a single transaction

Application of IFRS 17 Insurance Contracts

The Group is applying IFRS 17 Insurance Contracts (“IFRS 17” hereafter) during the consolidated fiscal year under review. At the start of the previous consolidated fiscal year, the baseline date for the change, we applied IFRS 17 while restating results and transactions for the preceding year with the revisions applied retroactively. In accordance with the provisions of IFRS No. 17, Paragraph C3 (a), quantitative information required by IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, Paragraph 28 (f) are not presented. The Group applies IFRS 17 as follows:

(1) Category and aggregate level

The Group classifies contracts associated with significant insurance risk as insurance contracts. For measurement purposes, insurance contracts are aggregated as groups of insurance contracts, and the insurance contract groups are identified as portfolios. Portfolios consist of multiple contracts that are managed together and exposed to similar risks, divided into three groups based on profitability.

- Group of contracts that are unfavorable upon initial recognition
- Group of contracts that are unlikely to be materially adverse at a later date
- Remaining contracts in the portfolio

(2) Recognition

The insurance contracts issued by the Group are recognized at the earliest of the following points in time:

- When the coverage period starts
- When the first payment deadline arrives for the policyholder or, if no payment deadline is included in the contract, when the first payment is received from the policyholder
- When facts and situations suggest that the contract is unfavorable

When an insurance contract is transferred or insurance contracts are acquired by corporate merger, they are recognized as of the acquisition date.

(3) Cash flows from insurance acquisitions

Of cash flows obtained from the sale, underwriting, and origination of insurance contract groups, funds stemming directly from insurance contract portfolios affiliated with that group are designated as cash flow from insurance acquisition. These are allocated to insurance contract groups by established systematic methods and are depreciated for the coverage period of that insurance contract group.

Cash flow from insurance acquisition is directly attributed to a specific group, and through updating these, if additional recovery is anticipated, cash flow from insurance acquisition is allocated to that group and groups that include these contract updates. Cash flow from insurance acquisitions arising before assignment to a contract risk group is recognized as an asset.

At the end of each reporting period, where facts and conditions suggest the possibility of impairment of asset related to cash flow from insurance acquisition, the Group takes the following action:

- (a) Impairment loss is recognized as a net loss so that the book value of the asset does not exceed the net expected cash inflow from the group in question.
- (b) If the asset appears likely to be updated, impairment loss is recognized as a net loss determined to be the difference in cash flow previously projected from the insurance acquisition and the net cash inflow projected after the expected update.

The excess amount excludes amounts already recognized as impairment loss in (a).

If the impairment conditions improve, the impairment loss is reversed from the net loss, and the asset’s book value is increased.



#### (4) Measurement

##### (a) Liabilities related to remaining coverage

Evaluations of liabilities related to remaining coverage for insurance contracts issued by the Group are measured rationally in much the same way as in IFRS 17. If the insurance contract coverage period is less than one year, insurance contract groups are assessed by the insurance premium allocation method.

The book value of liabilities related to the remaining coverage when contract groups are initially recognized is determined by decreasing cash flow from insurance acquisition allocated to the group that day from insurance premiums received at initial recognition.

The book value of liabilities related to remaining coverage following initial acquisition is increased by depreciating cash flow from insurance acquisition recognized as insurance premiums received and expenses and is decreased by additional cash flow from insurance acquisition allocated after insurance revenue for a provided service and after initial recognition. Regarding insurance revenues during each period, the amount of insurance premiums expected to be received for providing coverage for the period is allocated to each period based in principle on the passage of time.

No adjustments are made for liabilities related to remaining coverage because the time value of money and the impact of financial risk have negligible impact.

If at any time during the coverage period facts and conditions arise suggesting a contract group is unfavorable, the Group increases the amount of liability related to remaining coverage by recognizing the loss as a net loss within the scope of the current estimated executed cash flow related to remaining coverage exceeding the book value of the liability related to remaining coverage.

##### (b) Liabilities related to insurance payments that occur

The Group recognizes liabilities related to insurance payments occurring in an insurance contract group as the amount of executed cash flow related to the insurance payment that has occurred. Future cash flow is not adjusted for impact of the time value of money or financial risk because payment is expected within one year of the date the insurance claim occurs.

#### (5) Disclosure

To clarify the legal standing and accepted business practice of the Group's Auto Warranty Business, liabilities related to remaining coverage and liabilities related to insurance payments that occur are presented on the Consolidated Statement of Financial Position as auto warranty advances, while insurance revenues and insurance service expenses are presented as auto warranty revenue and auto warranty costs in the notes to operating income and operating expenses on the Consolidated Statement of Profit and Loss.

#### IAS 12 Income Taxes

The Group is applying deferred taxes related to assets and liabilities occurring from a single transaction (revision to IAS 12 Income Taxes) starting in the consolidated fiscal year under review.

We have clarified the accounting treatment at initial recognition for transactions generating taxable temporary differences and deductible temporary differences in the same amounts at the time of the transaction. Now, deferred tax liabilities and deferred tax assets related to taxable temporary differences and deductible temporary differences are recognized separately on the Consolidated Statement of Financial Position.

In applying this standard, we have retroactively revised the consolidated financial statements from the previous consolidated fiscal year. On the Consolidated Statement of Financial Position and Consolidated Statement of Profit and Loss for the previous consolidated fiscal year, deferred tax liabilities increased by 54 million yen, retained earnings decreased by 54 million yen, and income tax expense increased by 11 million yen, while profit declined by 11 million yen.

Further, profit per share and diluted profit per share are calculated using retroactively adjusted net income for the previous consolidated fiscal year.

The cumulative impact is reflected at the start of the period for the previous consolidated fiscal year, thus the starting balance of retained earnings on the Consolidated Statement of Changes in Equity after retroactive application declined by 43 million yen.

(Changes in presentation methods)

None applicable

(Changes in accounting estimates)

None applicable

(Segment Information, etc.)

##### (1) Overview of operating segments

The Group's operating segments are the constituent units of the Group for which separate financial information is available. These units are subject to periodic review by the Board of Directors to determine the allocation of

management resources and to evaluate business performance.

Up to the preceding consolidated fiscal year, the Group operated four operating segments: the Finance Business, the Automobile Warranty Business, the Auto-Mobility Service Business, and the Car Premium Business. For the consolidated fiscal year under review, following a revision of the Group's business units on April 1, 2023 to strengthen business operations, the Car Premium Business was integrated with the Auto-Mobility Service Business. Thus, there are now three segments: the Finance Business, the Automobile Warranty Business, and the Auto-Mobility Service Business.

An overview of operating segments is presented in the following.

The Finance Business consists mainly of the Credit Finance Business, which provides financing services to enable customers to pay for purchases of products and services in installments, and debt collection services. The Automobile Warranty Business enables customers to purchase an automobile warranty within the scope specified in advance that covers mechanical problems with their purchased vehicles, in exchange for payment of a fixed warranty charge.

The Auto-Mobility Service Business is made up primarily of several auto-mobility services provided as necessary to operate automotive businesses (including the member network business, automobile leasing business, automobile wholesale sales, and software sales).

The Group does not allocate assets and liabilities to the business segments employed by the Board of Directors.

## (2) Operating segment operating income and profit

Each segment profit and loss of the Group is generally prepared in the same manner as for the consolidated financial segments. Adjustments and companywide figures are elimination entries for internal transactions between segments. Prices of internal transactions between segments are based on actual market prices.

Beginning in the first quarter of the consolidated fiscal year under review, the Group changed the units used in evaluations of business results by the Board of Directors to the following three business segments: Finance Business, Automobile Warranty Business, and Auto-Mobility Service Business.

In addition, the profit and loss of operating segments is changed from pre-tax profit to operating profit in reporting to the Board of Directors in accompaniment with a change to results management that uses operating profit as it reflects the results of main business activities.

Segment information from the previous consolidated fiscal year has been calculated using the same method as the consolidated fiscal year under review to the extent that is feasible and this revised version is presented.

Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)

(Unit: million yen)

	Reporting segment				Other (Note 1)	Adjustments and companywide figures (Note 2)	Consolidated
	Finance	Automobile Warranty	Automotive Mobility Services	Total			
Revenues							
Revenues from external customers	15,020	6,624	3,815	25,458	5	1	25,465
Segment profit/loss							
Operating profit (loss)	3,353	511	379	4,243	30	(28)	4,245

This consolidated fiscal year (From April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Reporting segment				Other (Note 1)	Adjustments and companywide figures (Note 2)	Consolidated
	Finance	Automobile Warranty	Automotive Mobility Services	Total			
Revenues							
Revenues from external customers	17,810	7,851	5,874	31,535	10	1	31,546
Inter-segment revenue	510	20	798	1,328	867	(2,196)	-
Total	18,320	7,872	6,672	32,864	877	(2,195)	31,546
Segment profit/loss							
Operating profit (loss)	4,699	858	673	6,231	58	(94)	6,195
Other items							
Financial revenue	14,573	-	686	15,259	-	(262)	14,997
Financial expenses	119	-	217	336	-	-	336
Depreciation and amortization	1,081	287	211	1,578	42	20	1,640

(Note 1) “Other” is a business segment that is not included in the reporting segments and mainly consists of the system business.

(Note 2) “Adjustments and companywide figures” mainly include elimination entries for internal transactions between segments.

Table of Adjustments from Operating Profit to Pre-tax Profit

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	This consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Operating profit	4,254	6,195
Equity method investment income	1,075	119
Other financial income	59	13
Other financial expenses	35	86
Pre-tax profit	5,344	6,241

### (3) Regional information

Information on operating profits by region is omitted because operating profits from external customers attributable to the domestic market account for the bulk of operating profits on the Consolidated Statement of

#### Profit and Loss.

In addition, information on non-current assets by region is omitted because the book value of non-current assets attributable to domestic locations accounts for the bulk of non-current assets on the Consolidated Statement of Financial Position.

#### (4) Information on important customers

Information on important customers is omitted because the Group's businesses target ordinary consumers and no single external customer (or group) accounts for 10% or more of the Group's operating profit.

#### (5) Information on products and services

Information on products and services is omitted because the category of products and services is identical to the reporting segment.

#### (Earnings per share)

The bases for calculations of basic earnings per share and diluted earnings per share are shown below.

##### (1) Basic earnings per share

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	This consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Profit attributable to owners of common stock of parent (million yen)	3,994	4,608
Weighted average of total number of shares issued and outstanding during the period (shares)	38,716,966	38,596,438
Basic earnings per share (yen)	103.17	119.39

##### (2) Diluted earnings per share

	Previous consolidated fiscal year (From April 1, 2022 to March 31, 2023)	This consolidated fiscal year (From April 1, 2023 to March 31, 2024)
Profit attributable to owners of common stock of parent (million yen)	3,994	4,608
Profit used to calculate diluted earnings per share (million yen)	3,994	4,608
Basic weighted average of number of shares of common stock (shares)	38,716,666	38,596,438
Adjustments related to stock options issued by parent (shares)	251,931	161,616
Weighted average of number of shares of common stock used to calculate diluted earnings per share (shares)	38,968,897	38,758,055
Diluted earnings per share (yen)	102.50	118.89

Note: According to the resolution adopted by the Board of Directors on July 20, 2022, the Company split its shares at a ratio of 3 shares for every 1 common stock as of September 1, 2022. Basic earnings per share and diluted earnings per share have been calculated on the assumption that the shares were split at the beginning of the previous consolidated fiscal year.

#### (Important subsequent events)

Not applicable