



Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [IFRS]

May 6, 2022

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 Stock Code 7199 URL <https://www.premium-group.co.jp/>
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Scheduled date of regular general meeting of shareholders: June 29, 2022 Scheduled date of commencement of dividend payment: June 9, 2022
 Scheduled date of securities report submission: June 30, 2022
 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, 2022 (April 1, 2021 to March 31, 2022)

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

	Operating income		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	20,827	16.8	4,017	16.0	2,964	23.8	2,941	23.4	3,010	23.0
Fiscal year ended March 31, 2021	17,825	27.2	3,463	33.0	2,393	64.8	2,383	62.6	2,447	77.1

	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
	Yen	Yen	%	%
Fiscal year ended March 31, 2022	229.39	227.36	34.8	5.4
Fiscal year ended March 31, 2021	186.74	184.55	38.3	5.5

Reference: Equity method investment profit/loss FY Ended March 31, 2022 213 million yen FY Ended March 31, 2021 59 million yen

(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, 2022	81,800	9,814	9,710	11.9	754.71
Fiscal year ended March 31, 2021	68,156	7,291	7,211	10.6	563.12

(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, 2022	1,608	(1,028)	2,797	11,433
Fiscal year ended March 31, 2021	1,321	(1,172)	1,617	8,054

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, 2021	–	22.50	–	23.50	46.00	588	24.6	9.4
Fiscal year ended March 31, 2022	–	25.00	–	26.00	51.00	655	22.2	7.7
Fiscal year ending March 31, 2023 (forecast)	–	30.00	–	30.00	60.00		22.8	

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023
(April 1, 2022 to March 31, 2023)

	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, 2023	24,500	17.6	4,700	17.0	3,400	14.7	3,400	15.6	264.59

* 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 : None

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, 2022	13,394,990 shares	Fiscal year ended March 31, 2021	13,334,390 shares
Fiscal year ended March 31, 2022	528,885 shares	Fiscal year ended March 31, 2021	528,293 shares
Fiscal year ended March 31, 2022	12,821,970 shares	Fiscal year ended March 31, 2021	12,760,839 shares

2) Number of treasury shares at end of period

3) Average number of shares during period

Reference: Summary of nonconsolidated financial results

1. Nonconsolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(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, 2022	3,098	28.9	1,514	34.4	1,470	38.9	1,423	37.9
Fiscal year ended March 31, 2021	2,404	(14.7)	1,127	(14.9)	1,058	(15.7)	1,032	(17.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Fiscal year ended March 31, 2022	110.98		110.00	
Fiscal year ended March 31, 2021	80.88		79.94	

(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, 2022	12,635		5,380		42.3		418.15	
Fiscal year ended March 31, 2021	13,446		4,492		33.4		350.79	

Reference: Equity capital FY Ended March 31, 2022 5,348 million yen FY Ended March 31, 2021 4,492 million yen

Note: Financial figures for nonconsolidated financial results are calculated based on Japanese GAAP.

* 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: <http://ir.premium-group.co.jp/ja/library/presentation.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	4
2. Basic Thinking on Selection of Accounting Standards	7
3. Consolidated Financial Statements and Major Notes	8
(1) Consolidated Statement of Financial Position	8
(2) Consolidated Statement of Profit and Loss	9
(3) Consolidated Statement of Comprehensive Income	10
(4) Consolidated Statement of Changes in Equity	11
(5) Consolidated Statement of Cash Flows	13
(6) Notes on the Consolidated Financial Statements	14
(Notes concerning the going-concern assumption)	14
(Changes in accounting policies)	14
(Changes in presentation methods)	14
(Changes in accounting estimates)	14
(Segment information)	15
(Earnings per share)	16
(Important subsequent events)	16

1. Summary of Business Results

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

The Japanese economy trended toward recovery during the current consolidated fiscal year under review (April 1, 2021 to March 31, 2022), bolstered by efforts to halt the spread of the COVID-19 pandemic and widening vaccinations. Nevertheless, amid factors including the emergence of new COVID-19 variants and supply chain disruptions due to the chip supply shortage, the outlook for the future remains unclear. Performance in the used vehicle market, the Company's main target business area, slipped from the previous year. The number of used ordinary passenger vehicles registered in Japan from April 2021 through March 2022 fell to 3,169,492 vehicles (down 5.8% from the previous consolidated fiscal year). (Source: Statistical data from the Japan Automobile Dealers Association)

Based on the assumption of thoroughgoing compliance reflecting changes in the external business environment, including regulatory changes, we seek to realize our mission to contribute to the construction of a prosperous society by providing top level financing and services to the world and to foster employees who are broadminded, have a positive outlook, and assiduously work their way towards creating results. In addition to Credit Finance and Auto Warranty services, to expand business interactions and accelerate growth in the scope of our operations and in our earnings, we provide a comprehensive line of auto mobility services that assist in motor vehicle procedures undertaken by used 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.

The status of each business is summarized below. The results shown exclude revenues from internal sales between segments. Additionally, the segment information for the previous fiscal year has been calculated in the same method as for the current fiscal year, and only operating revenues (external revenues) have been restated.

Challenging market conditions persisted in the Finance Business. New vehicle sales fell for various reasons, including supply chain disruptions attributable to the chip supply shortage. The shrinking pool of used vehicles led to rising prices for used vehicles. Under such conditions, the volume of credit increased from the two preceding years due to more efficient sales activities following the migration to paperless contracts and the expansion of member services. Structural enhancements implemented via a reorganization of the sales organization and improved efficiency in servicing of claims in arrears based on the digital transformation (DX) of operations, as well as steady servicing results attributable to consolidated subsidiary Central Servicer Corporation, resulted in operating income of 13,518 million yen, up 11.8% from the previous consolidated fiscal year, and segment income of 3,099 million yen.

In the Automobile Warranty Business, as with the Finance Business, the total volume of new warranties rose from the two preceding years. This growth, which occurred despite slowing growth in the volume of alliance products, is attributable to several factors: improvements in management structures and efficiency based on sales promotions for our own products, the reassignment of sales staff specializing in alliance products, and a more precise division of responsibilities in the back-office organization. We also directed vehicle repairs to our network of auto repair shops and cut repair costs by using used parts procured within the Group. As a result, operating income was 4,446 million yen (up 9.5% from the previous consolidated fiscal year), while segment income was 637 million yen.

In the Auto Mobility Business, operating income was 2,863 million yen (up 71.3% from the previous consolidated fiscal year), while segment income at 26 million yen returned to positive territory, after recording a segment loss in the previous consolidated fiscal year. These results are attributable to growth in parts sale and wholesale vehicles sale as well as growth in service volumes resulting from expanding our networks of affiliates and auto repair shops and growing member services.

In our international businesses, gains on equity method investments were 213 million yen thanks to improved performance by Eastern Commercial Leasing p.l.c. in Thailand.

Operating costs rose to 16,992 million yen, up 14.1% from the previous consolidated fiscal year. Measures to reduce expenses, including cost-cutting in the Automobile Warranty Business and computerizing various business processes through digital transformation (DX), helped absorb increases in various expenses generated by business expansion.

These factors resulted in operating income of 20,827 million yen, up 16.8% from the previous consolidated fiscal year; profits before tax in this consolidated fiscal year of 4,017 million yen, up 16.0% from the previous consolidated fiscal year; and profits attributable to owners of parent of 2,941 million yen, up 23.4% 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 81,800 million yen, up 13,645 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 7,619 million yen in financial receivables and 3,379 million yen in other financial assets.

(Liabilities)

At the end of the consolidated fiscal year under review, total liabilities stood at 71,987 million yen, up 11,122 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 4,986 million yen in financial guarantee policies and 4,118 million yen in borrowings.

(Capital)

At the end of the consolidated fiscal year under review, total capital stood at 9,814 million yen, up 2,523 million yen from the end of the previous consolidated fiscal year, due mainly to an increase of 2,320 million yen in retained earnings and other factors. Total equity attributable to owners of parent grew 2,499 million yen from the end of the previous consolidated fiscal year to 9,710 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 1,068 million yen (vs. 1,321 million yen in cash flow used in operating activities in the previous consolidated fiscal year); total cash flow used in investing activities of 1,028 million yen (vs. 1,172 million yen in cash flow used in investing activities in the previous consolidated fiscal year); and total cash flow from financing activities of 2,797 million yen (vs. 1,617 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 11,433 million yen, up 3,379 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 1,068 million yen. Major revenues from operating activities included 4,017 million yen in profit before tax and an increase of 4,986 million yen in financial guarantee contracts. Major expenditures included an increase of 7,619 million yen in financial receivables and an increase of 1,251 million yen in other assets.

(Cash flow from investing activities)

Funds diverted to investments during the consolidated fiscal year under review totaled 1,028 million yen. Major expenditures on investment efforts included expenditures of 576 million yen on the acquisition of property, plant, and equipment and 285 million yen on the acquisition of intangible assets.

(Cash flow from financing activities)

Funds secured from financing activities during the consolidated fiscal year under review totaled 2,797 million yen. Major revenues from financing activities included 15,100 million yen in short-term borrowings and 11,048 million yen in long-term borrowings. Major expenditures included 16,000 million yen in repayment of short-term borrowings and 6,063 million yen in repayment of long-term borrowings.

(4) Future outlook

During the next consolidated fiscal year (April 1, 2022 to March 31, 2023), the outlook for the used vehicle market, the primary market in which we operate, is expected to remain uncertain. Various factors contribute to this uncertainty, including slower new vehicle production due to the global chip shortage and the impact of COVID-19, delays in supplies of parts following Russia's invasion of Ukraine, and the lower numbers and rising cost of used vehicles on the market. However, given the essential nature of cars for the activities of individual consumers, the used vehicle market, the primary market in which we operate, is likely to exhibit firm and stable demand and we expect to see improvements in consolidated business performance forecasts for the fiscal year ending March 2023. Despite such challenging market conditions, the Group will strive to improve business performance by cutting costs, maximizing synergies among our three business segments, and promoting digital transformation (DX) to improve business efficiency.

The next consolidated fiscal year will be the final fiscal year of the Value Up²⁰²³ medium-term management plan announced in May 2021. In addition to promoting the adoption of membership organizations for auto dealers and auto repair shops, unifying the brands of the membership organizations with establishing Car Premium., Ltd. in April 2022 and serving as a platform connecting individual customers to these auto dealers and auto repair shops, we will strive to achieve coexistence, coprosperity, and sustained mutual progress in members and convenient, safe, and reliable automotive lifestyles for end users in an auto industry said to have reached a once-in-a-century turning point.

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, 2021)	This consolidated fiscal year (March 31, 2022)
Assets		
Cash and cash equivalents	8,054	11,433
Financial receivables	28,115	35,733
Other financial assets	5,108	5,786
Property, plant, and equipment	3,644	3,648
Intangible assets	5,768	6,279
Goodwill	3,958	3,958
Investments accounted for using equity method	1,434	1,600
Deferred tax assets	2	3
Insurance assets	3,111	3,284
Other assets	8,961	10,075
Total assets	68,156	81,800
Liabilities		
Financial guarantee contracts	25,079	30,065
Borrowings	19,641	23,759
Other financial liabilities	6,703	7,248
Provisions	302	366
Income taxes payable	648	720
Deferred tax liabilities	1,404	1,238
Other liabilities	7,087	8,590
Total liabilities	60,865	71,987
Equity		
Equity attributable to owners of parent		
Capital	1,612	1,700
Share premium	1,281	1,295
Treasury shares	(1,201)	(1,201)
Retained earnings	5,403	7,722
Other components of equity	116	194
Total equity attributable to owners of parent	7,211	9,710
Non-controlling interests	79	103
Total equity	7,291	9,814
Total liabilities and equity	68,156	81,800

(2) Consolidated Statement of Profit and Loss

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	This consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Operating income	17,825	20,827
Other finance income	9	17
Share of profit of investments accounted for using equity method	59	213
Other income	694	47
Total income	18,586	21,104
Operating expense	14,891	16,992
Other finance cost	64	41
Other expense	168	55
Total expense	15,123	17,087
Profit before tax	3,463	4,017
Income tax expense	1,070	1,053
Profit	2,393	2,964
Attributable to		
Owners of parent	2,383	2,941
Non-controlling interests	10	23
Profit	2,393	2,964
Earnings per share attributable to owners of parent		
Basic earnings per share (yen)	186.74	229.39
Diluted earnings per share (yen)	184.55	227.36

(3) Consolidated Statement of Comprehensive Income

	(Unit: million yen)	
	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	This consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Profit	2,393	2,964
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	(1)	(4)
Share of other comprehensive income of investments accounted for using equity method	55	50
Other comprehensive income (net of tax)	53	46
Comprehensive income	2,447	3,010
Attributable to:		
Owners of parent	2,437	2,988
Non-controlling interests	9	22
Comprehensive income	2,447	3,010

(4) Consolidated Statement of Changes in Equity

(Unit: million yen)

	Equity attributable to owners of parent					
	Capital	Share premium	Treasury shares	Retained earnings	Other components of equity	
					Exercise of warrants	Share of other comprehensive income of investments accounted for using equity method
Balance as of April 1, 2020	1,534	1,260	(1,201)	3,587	10	53
Comprehensive income						
Profit	-	-	-	2,383	-	-
Other comprehensive income	-	-	-	-	-	55
Total comprehensive income	-	-	-	2,383	-	55
Transactions with owners, etc.						
Issuance of new shares	6	6	-	-	(3)	-
Purchase of treasury shares	-	-	(0)	-	-	-
Dividends	-	-	-	(568)	-	-
Share-based payment transactions	72	15	-	-	3	-
Total transactions with owners, etc.	78	21	(0)	(568)	0	-
Balance as of March 31, 2021	1,612	1,281	(1,201)	5,403	10	108
Comprehensive income						
Profit	-	-	-	2,941	-	-
Other comprehensive income	-	-	-	-	-	50
Total comprehensive income	-	-	-	2,941	-	50
Transactions with owners, etc.						
Issuance of new shares	6	6	-	-	(3)	-
Purchase of treasury shares	-	-	(1)	-	-	-
Dividends	-	-	-	(621)	-	-
Capital transactions with non-controlling interests	-	(11)	-	-	-	-
Share-based payment transactions	82	19	-	-	33	-
Total transactions with owners, etc.	88	14	(1)	(621)	30	-
Balance as of March 31, 2022	1,700	1,295	(1,201)	7,722	40	158

(Unit: million yen)

	Equity attributable to owners of parent		Total	Non-controlling interests	Total equity
	Other components of equity				
	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2020	(1)	62	5,242	70	5,312
Comprehensive income					
Profit	-	-	2,383	10	2,393
Other comprehensive income	(1)	54	54	(1)	53
Total comprehensive income	(1)	54	2,437	9	2,447
Transactions with owners, etc.					
Issuance of new shares	-	(3)	9	-	9
Purchase of treasury shares	-	-	(0)	-	(0)
Dividends	-	-	(568)	-	(568)
Share-based payment transactions	-	3	91	-	91
Total transactions with owners, etc.	-	0	(468)	-	(468)
Balance as of March 31, 2021	(2)	116	7,211	79	7,291
Comprehensive income					
Profit	-	-	2,941	23	2,964
Other comprehensive income	(3)	47	47	(1)	46
Total comprehensive income	(3)	47	2,988	22	3,010
Transactions with owners, etc.					
Issuance of new shares	-	(3)	9	-	9
Purchase of treasury shares	-	-	(1)	-	(1)
Dividends	-	-	(621)	-	(621)
Capital transactions with non-controlling interests	-	-	(11)	2	(9)
Share-based payment transactions	-	33	134	-	134
Total transactions with owners, etc.	-	30	(489)	2	(487)
Balance as of March 31, 2022	(5)	194	9,710	103	9,814

(5) Consolidated Statement of Cash Flows

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	This consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Cash flow from operating activities		
Profit before tax	3,463	4,017
Depreciation and amortization expense	1,316	1,294
Other finance income and finance costs	213	185
Decrease (increase) in financial receivables	(5,643)	(7,619)
Increase (decrease) in financial guarantee contracts	3,016	4,986
Decrease (increase) in other financial assets	(432)	(504)
Increase (decrease) in other financial liabilities	681	369
Decrease (increase) in other assets	(869)	(1,251)
Increase (decrease) in other liabilities	785	1,428
Share of loss (profit) of investments accounted for using equity method	(59)	(213)
Other	(392)	134
Subtotal	2,077	2,825
Interest received	2	1
Dividends received	-	98
Interest paid	(153)	(153)
Income taxes paid	(930)	(1,344)
Income taxes refunded	325	181
Cash flow from (used in) operating activities	1,321	1,608
Cash flow from investing activities		
Purchase of investment securities	(1)	(1)
Purchase of property, plant, and equipment	(911)	(243)
Purchase of intangible assets	(300)	(576)
Payments for loans receivable	(21)	(20)
Collection of loans receivable	15	15
Payments for guarantee deposits	(121)	(285)
Proceeds from collection of guarantee deposits	182	103
Cash flow from acquisition of subsidiary	(94)	-
Cash flow from acquisition of affiliate	(48)	-
Other	127	(22)
Cash flow from (used in) investing activities	(1,172)	(1,028)
Cash flow from financing activities		
Proceeds from short-term loans	14,474	15,100
Repayments of short-term loans	(9,959)	(16,000)
Proceeds from long-term loans	4,076	11,048
Repayments of long-term loans	(5,740)	(6,063)
Repayments of lease obligations	(755)	(805)
Payments for purchase of treasury shares	(0)	(1)
Dividends paid	(567)	(621)
Other	89	139
Cash flow from financing activities	1,617	2,797
Net increase (decrease) in cash and cash equivalents	1,766	3,378
Cash and cash equivalents at beginning of period	6,286	8,054
Effect of exchange rate changes on cash and cash equivalents	2	1
Cash and cash equivalents at end of period	8,054	11,433

(6) Notes on the Consolidated Financial Statements

(Notes concerning the going-concern assumption)

Not applicable

(Changes in accounting policies)

Not applicable

(Changes in presentation methods)

1. Consolidated Statement of Financial Position

From the current consolidated fiscal year, lease investment assets, which had been included in other financial assets in the previous consolidated fiscal year, are included as financial receivables. This reflects the growing importance of the lease business during the consolidated fiscal year under review.

To reflect this change in presentation methods, 4,721 million yen included in other financial assets on the Consolidated Statement of Financial Position for the previous consolidated fiscal year have been transferred to financial receivables.

2. Consolidated Statement of Profit and Loss

Starting with the consolidated fiscal year under review, in line with the change in presentation methods on the Consolidated Statement of Financial Position, interest expenses on lease investment assets are included in operating expenses. They had previously been included in other finance costs.

To reflect this change in presentation methods, 35 million yen that had been included in other finance costs on the Consolidated Statement of Profit and Loss for the previous consolidated fiscal year have been transferred to operating expenses.

3. Consolidated Statement of Cash Flows

In line with the change in presentation methods on the Consolidated Statement of Financial Position, lease investment assets, which had been included in decrease (increase) in other financial assets, are included in decrease (increase) in financial receivables starting with the consolidated fiscal year under review.

To reflect this change in presentation methods, an increase of 2,992 million yen included in decrease (increase) in other financial assets on the Consolidated Statement of Profit and Loss for the previous consolidated fiscal year has been transferred to decrease (increase) in financial receivables.

(Changes in accounting estimates)

Not applicable

(Segment information)

(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.

Through the previous consolidated fiscal year, the Credit-related Business was the Group's only reporting segment. However, revenues from businesses other than Credit Finance have since grown. Accordingly, starting from the first quarter of this consolidated fiscal year, the Group began organizing management by business segment, including management of business results, by reporting them to the Board of Directors by business segment. In doing so, we employ three reporting segments—Finance Business, Automobile Warranty Business, and Automotive Mobility Services Business—based on the business areas that had been used previously in management by business service.

A summary of each reporting segment is provided below.

The Finance Business consists mainly of the Credit Finance Business and Auto Leasing Business, which provide financing services to enable customers to pay for purchases of products and services in installments, and debt collection services.

The Automobile Warranty Business consists of automobile warranty services that enable customers who choose to add automobile warranty plans when purchasing vehicles through the Group's partners to receive repairs free of charge, within the scope specified in advance, for mechanical problems with their purchased vehicles, in exchange for payment of a fixed warranty charge.

The Automotive Mobility Services Business is made up chiefly of automotive mobility services, which provide multiple services needed for the automobile distribution business (such as the sale of auto parts, wholesale vehicles, and software).

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

The Group's figures on profit or loss by segment are prepared using the same standards as those for consolidated financial statements. Adjustments and companywide figures include profit and loss not allocated to specific business segments and 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, the Group changed the units used in evaluations of business results by the Board of Directors to the three business segments of the Finance Business, Automobile Warranty Business, and Automotive Mobility Services Business. Since the Group has managed profit and loss by segment since the first quarter of this consolidated fiscal year, segment information for the previous consolidated fiscal year has been calculated, to the extent practical, using the same methods as those for the consolidated fiscal year under review. Only revenues from external customers have been restated.

(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.

Previous consolidated fiscal year (April 1, 2020 to March 31, 2021)

(Unit: million yen)

	Reporting segment				Other	Adjustments and companywide figures	Consolidated
	Finance	Automobile Warranty	Automotive Mobility Services	Total			
Revenues							
Revenues from external customers	12,094	4,059	1,671	17,825	-	-	17,825

Consolidated fiscal year under review (April 1, 2021 to March 31, 2022)

(Unit: million yen)

	Reporting segment				Other	Adjustments and companywide figures	Consolidated
	Finance	Automobile Warranty	Automotive Mobility Services	Total			
Revenues							
Revenues from external customers	13,518	4,446	2,863	20,827	1	-	20,827
Segment profit/loss							
Profit before tax	3,099	637	26	3,762	17	238	4,017

(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, 2020 to March 31, 2021)	This consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Profit attributable to owners of common stock of parent (million yen)	2,383	2,941
Weighted average of total number of shares issued and outstanding during the period (shares)	12,760,839	12,821,970
Basic earnings per share (yen)	186.74	229.39

(2) Diluted earnings per share

	Previous consolidated fiscal year (From April 1, 2020 to March 31, 2021)	This consolidated fiscal year (From April 1, 2021 to March 31, 2022)
Profit attributable to owners of common stock of parent (million yen)	2,383	2,941
Profit used to calculate diluted earnings per share (million yen)	2,383	2,941
Basic weighted average of number of shares of common stock (shares)	12,760,839	12,821,970
Adjustments related to stock options issued by parent (shares)	151,235	114,539
Weighted average of number of shares of common stock used to calculate diluted earnings per share (shares)	12,912,075	12,936,509
Diluted earnings per share (yen)	184.55	227.36

(Important subsequent events)

Not applicable