



Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023 [IFRS]

October 28, 2022

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 Stock Code 7199 URL <https://www.premium-group.co.jp/>
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Preparation of supplementary material for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (fiscal year to date) (% change from the same period of the 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	%
Second quarter of fiscal year ending March 31, 2023	11,887	17.5	2,375	27.5	3,461	80.7	2,645	93.9	2,641	94.5
Second quarter of fiscal year ended March 31, 2022	10,120	20.2	1,862	28.2	1,915	(4.3)	1,365	3.3	1,358	3.4

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Yen	Yen
Second quarter of fiscal year ending March 31, 2023	2,695	106.9	68.32	67.69
Second quarter of fiscal year ended March 31, 2022	1,302	(1.5)	35.34	34.91

Note: 1. Operating income and operating expense have been partially restated due to a change in presentation methods.

2. Effective September 1, 2022, the Company implemented a three-for-one stock split on common stock based on a resolution passed by the Board of Directors at its meeting held July 20, 2022. The basic earnings per share and diluted earnings per share calculated above assume that this stock split took place at the start 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
	Million yen	Million yen	Million yen	%
Second quarter of fiscal year ending March 31, 2023	87,477	12,254	12,228	14.0
Fiscal year ended March 31, 2022	81,800	9,814	9,710	11.9

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	25.00	-	26.00	51.00
Fiscal year ending March 31, 2023	-	10.00			
Fiscal year ending March 31, 2023 (forecast)			-	10.00	20.00

Note: 1. Revisions to dividends forecast most recently announced: None
 2. Effective September 1, 2022, the Company implemented a three-for-one stock split on common stock based on a resolution passed by the Board of Directors at its meeting held July 20, 2022. The dividends shown above for the end of the fiscal year ended March 31, 2022 and earlier are actual dividend amounts prior to this stock split. Annual dividends for the fiscal year ending March 31, 2023 based on figures prior to this stock split would be 60.00 yen/share, an effective increase of 9.00 yen/share in dividends.

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

(% change from the previous fiscal year)

	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
Full-year	24,500	17.3	5,300	32.0	4,000	35.0	4,000	36.0	102.59

Note: Revisions to financial forecast most recently announced: Yes
 Changes from the previous fiscal year reflect comparison with figures after partial restatement due to a change to the presentation method of operating income in the previous consolidated fiscal year.

* 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)	Second quarter of fiscal year ending March 31, 2023	40,184,970 shares	Fiscal year ended March 31, 2022	40,184,970 shares
2) Number of treasury shares at end of period	Second quarter of fiscal year ending March 31, 2023	1,437,844 shares	Fiscal year ended March 31, 2022	1,586,655 shares
3) Average number of shares during period (fiscal year to date)	Second quarter of fiscal year ending March 31, 2023	38,662,001 shares	Second quarter of fiscal year ended March 31, 2022	38,429,931 shares

Note: Effective September 1, 2022, the Company implemented a three-for-one stock split on common stock based on a resolution passed by the Board of Directors at its meeting held July 20, 2022. The number of shares issued and outstanding at end of period, number of treasury shares at end of period, and average number of shares during period calculated above assume that this stock split took place at the start of the previous consolidated fiscal year.

* Quarterly financial statements are not subject to quarterly review 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 and the quarterly securities report scheduled to be released on November 14.
- Financial results explanatory materials: <https://ir.premium-group.co.jp/ja/library/presentation.html>
- Quarterly securities report: <https://ir.premium-group.co.jp/ja/library/securities.html>
2. The forecasts above are based on information currently available and certain assumptions deemed reasonable by the Company as of the date of release of this document. Actual future results may differ from forecasts figures due to various factors.

○ Contents of Attachments

1. Summary Quarterly Consolidated Financial Statements and Major Notes	2
(1) Summary Quarterly Consolidated Statement of Financial Position	2
(2) Summary Quarterly Consolidated Statement of Profit and Loss	3
(3) Summary Quarterly Consolidated Statement of Comprehensive Income	4
(4) Summary Quarterly Consolidated Statement of Changes in Equity	5
(5) Summary Quarterly Consolidated Statement of Cash Flows	7
(6) Notes on the Summary Quarterly Consolidated Financial Statements	8
(Notes concerning the going-concern assumption)	8
(Changes in accounting policies)	8
(Changes in presentation methods)	8
(Changes in accounting estimates)	8
(Segment information)	9
(Important subsequent events)	11

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

(Millions of yen)

	Previous consolidated fiscal year (March 31, 2022)	Second quarter of this consolidated fiscal year (September 30, 2022)
Assets		
Cash and cash equivalents	11,433	11,796
Financial receivables	35,733	39,301
Other financial assets	5,786	6,306
Property, plant, and equipment	3,648	3,439
Intangible assets	6,279	7,108
Goodwill	3,958	3,958
Investments accounted for using equity method	1,600	2,497
Deferred tax assets	3	4
Insurance assets	3,284	3,776
Other assets	10,075	9,293
Total assets	81,800	87,477
Liabilities		
Financial guarantee contracts	30,065	33,342
Borrowings	23,759	23,236
Other financial liabilities	7,248	7,352
Provisions	366	373
Income taxes payable	720	607
Deferred tax liabilities	1,238	1,453
Other liabilities	8,590	8,860
Total liabilities	71,987	75,223
Equity		
Equity attributable to owners of parent		
Capital	1,700	1,700
Share premium	1,295	1,359
Retained earnings	7,722	10,029
Treasury shares	(1,201)	(1,129)
Other components of equity	194	268
Total equity attributable to owners of parent	9,710	12,228
Non-controlling interests	103	27
Total equity	9,814	12,254
Total liabilities and equity	81,800	87,477

(2) Summary Quarterly Consolidated Statement of Profit and Loss

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2021 to September 30, 2021)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2022 to September 30, 2022)
Operating income	10,120	11,887
Operating expense	8,258	9,512
Operating profit	1,862	2,375
Share of profit of investment accounted for using equity method	78	999
Other finance income	1	123
Other finance cost	26	35
Profit for the term before tax	1,915	3,461
Income tax expense	551	816
Profit for the term	1,365	2,645
Attributable to:		
Owners of parent	1,358	2,641
Non-controlling interests	6	4
Profit	1,365	2,645
Attributable to owners of parent earnings per share		
Basic earnings per share (yen)	35.34	68.32
Diluted earnings per share (yen)	34.91	67.69

Note: Effective September 1, 2022, the Company implemented a three-for-one stock split on common stock based on a resolution passed by the Board of Directors at its meeting held July 20, 2022. The basic earnings per share and diluted earnings per share calculated above assume that this stock split took place at the start of the previous consolidated fiscal year.

(3) Summary Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2021 to September 30, 2021)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2022 to September 30, 2022)
Profit for the term	1,365	2,645
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Foreign exchange differences on translation of foreign operations	1	4
Share of other comprehensive income of investments accounted for using equity method	(63)	46
Other comprehensive income (net of tax)	(62)	50
Comprehensive income	1,302	2,695
Attributable to:		
Owners of parent	1,296	2,692
Non-controlling interests	6	2
Comprehensive income	1,302	2,695

(4) Summary Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity
					Exercise of warrants
Balance as of April 1, 2021	1,612	1,281	5,403	(1,201)	10
Comprehensive income					
Profit	-	-	1,358	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	1,358	-	-
Transactions with owners, etc.					
Issuance of new share	0	0	-	-	(0)
Purchase of treasury shares	-	-	-	(0)	-
Share-based payment transactions	-	-	(301)	-	-
Transfers from share premium to capital	39	6	-	-	9
Total transactions with owners, etc.	39	6	(301)	(0)	9
Balance as of September 30, 2021	1,651	1,287	6,460	(1,201)	19

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Share of other comprehensive income of investments accounted for using equity method	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2021	108	(2)	116	7,211	79	7,291
Comprehensive income						
Profit	-	-	-	1,358	6	1,365
Other comprehensive income	(63)	1	(62)	(62)	0	(62)
Total comprehensive income	(63)	1	(62)	1,296	6	1,302
Transactions with owners, etc.						
Issuance of new share	-	-	(0)	0	-	0
Purchase of treasury shares	-	-	-	(0)	-	(0)
Share-based payment transactions	-	-	-	(301)	-	(301)
Transfers from share premium to capital	-	-	9	54	-	54
Total transactions with owners, etc.	-	-	9	(248)	-	(248)
Balance as of September 30, 2021	45	(1)	63	8,260	86	8,346

(Millions of yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Retained earnings	Treasury shares	Other components of equity
					Exercise of warrants
Balance as of April 1, 2022	1,700	1,295	7,722	(1,201)	40
Comprehensive income					
Profit	-	-	2,641	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	2,641	-	-
Transactions with owners, etc.					
Dividends	-	-	(335)	-	-
Capital transactions with noncontrolling shareholders	-	28	-	52	-
Share-based payment transactions	-	36	-	20	24
Total transactions with owners, etc.	-	64	(335)	72	24
Balance as of September 30, 2022	1,700	1,359	10,029	(1,129)	64

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Share of other comprehensive income of investments accounted for using equity method	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2022	158	(5)	194	9,710	103	9,814
Comprehensive income						
Profit	-	-	-	2,641	4	2,645
Other comprehensive income	46	5	51	51	(1)	50
Total comprehensive income	46	5	51	2,692	2	2,695
Transactions with owners, etc.						
Dividends	-	-	-	(335)	-	(335)
Capital transactions with noncontrolling shareholders	-	-	-	79	(79)	-
Share-based payment transactions	-	-	24	80	-	80
Total transactions with owners, etc.	-	-	24	(175)	(79)	(254)
Balance as of September 30, 2022	204	0	268	12,228	27	12,254

(5) Summary Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2021 to September 30, 2021)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2022 to September 30, 2022)
Cash flow from operating activities		
Profit for the term before tax	1,915	3,461
Depreciation and amortization expense	618	691
Other finance income and finance costs	93	(18)
Decrease (increase) in financial receivables	(3,205)	(3,568)
Increase (decrease) in financial guarantee contracts	2,487	3,277
Decrease (increase) in other financial assets	(355)	(235)
Increase (decrease) in other financial liabilities	(486)	164
Decrease (increase) in other assets	873	166
Increase (decrease) in other liabilities	275	273
Share of loss (profit) of investments accounted for using equity method	(78)	(999)
Other	117	91
Subtotal	2,255	3,305
Interest income earned	0	1
Dividend income received	(80)	(99)
Interest paid	98	148
Income tax paid	(654)	(741)
Income tax refunded	181	160
Cash flow from (used in) operating activities	1,800	2,773
Cash flow from investing activities		
Purchase of investment securities	(0)	(99)
Purchase of property, plant, and equipment	(156)	(189)
Purchase of intangible assets	(129)	(757)
Payments for loans receivable	(5)	(23)
Collection of loans receivable	8	8
Payments for guarantee deposits	(87)	(156)
Proceeds from collection of guarantee deposits	45	58
Other	1	19
Cash flow from (used in) investing activities	(325)	(1,138)
Cash flow from financing activities		
Proceeds from short-term loans	10,000	-
Repayments of short-term loans	(10,000)	(100)
Proceeds from long-term loans	2,469	2,714
Repayments of long-term loans	(3,158)	(3,150)
Repayment of lease liabilities	(394)	(432)
Payments for purchase of treasury shares	(0)	(0)
Dividends paid	(301)	(334)
Other	40	20
Cash flow from financing activities	(1,344)	(1,283)
Net increase (decrease) in cash and cash equivalents	131	352
Cash and cash equivalents at beginning of period	8,054	11,433
Effect of exchange rate changes on cash and cash equivalents	(4)	2
Cash and cash equivalents at end of period	8,181	11,787

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

(Changes in accounting policies)
Not applicable

(Changes in presentation methods)

Summary Quarterly Consolidated Statement of Profit and Loss

From the first quarter of this consolidated fiscal year, to more clearly indicate the profit and loss resulting from its main business activities, the Company stated the difference between operating income and operating expenses as operating profit. The Company also began managing financial results by indicating this operating profit figure in reports to the Board of Directors.

Thus, the Summary Quarterly Consolidated Statement of Profit and Loss shows operating profit of 1,862 million yen for the cumulative second quarter of the previous consolidated fiscal year.

In addition, given the growing importance of the Auto Leasing Business since the end of the previous consolidated fiscal year, interest paid related to that business, previously included under other finance costs, is indicated as a finance cost included under operating expense.

To reflect this change in presentation methods, 31 million yen included under other finance costs in the Summary Quarterly Consolidated Statement of Profit and Loss for the cumulative second quarter of the previous consolidated fiscal year has been restated as finance costs included under operating expenses.

Starting with the cumulative second quarter of this consolidated fiscal year, to reflect the growing significance of exchange rate fluctuations, foreign exchange losses, which had been included under other finance cost in the cumulative second quarter of the previous consolidated fiscal year, are now included as other operating expenses under operating expenses.

To reflect this change in presentation methods, 5 million yen included under other finance cost in the cumulative second quarter of the previous consolidated fiscal year has been restated as operating expenses.

Summary Quarterly Consolidated Statement of Cash Flows

To reflect the growing significance of the Auto Leasing Business since the end of the previous consolidated fiscal year, lease investment assets, which had been included under decrease (increase) in other financial assets, are now included under decrease (increase) in financial receivables.

To reflect this change in presentation methods, (1,755 million yen) included under decrease (increase) in other financial assets in the Summary Quarterly Consolidated Statement of Cash Flows for the cumulative second quarter of the previous consolidated fiscal year has been restated as a decrease (increase) in financial receivables.

(Changes in accounting estimates)
Not applicable

(Segment information)

(1) General information on reporting segments

The Group's reporting segments consist of the Group's constituent units for which separate financial information is available and subject to periodic review by the Board of Directors for decisions related to allocating management resources and evaluating business performance.

The Group recognized three reporting segments through the preceding consolidated fiscal year: the Finance Business, the Automobile Warranty Business, and the Automotive Mobility Services Business.

With the establishment of Car Premium Co., Ltd. effective March 1 and the reorganization of Group companies effective April 1, 2022, the Car Premium Business has been added as a fourth reporting segment. In addition, the Auto Leasing Business, included in the Finance Business in the previous consolidated fiscal year, has been consolidated into the Automotive Mobility Services Business, while the business of sale of auto parts, which had been incorporated into the Automotive Mobility Services Business in the previous consolidated fiscal year, has been incorporated into the Automobile Warranty Business.

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 the 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, and the sale of auto parts for vehicle repairs and other purposes, among other businesses.

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 Auto Leasing Business and the sale of wholesale vehicles and software).

The Car Premium Business involves the development and promotion of a membership-based network organization and vehicle maintenance.

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

(2) Profit or loss by reporting segment

The Group's figures on profit or loss by segment are prepared using the same standards as those for consolidated financial statements. To clearly indicate the contributions and results of each reporting segment, starting with the cumulative second quarter of this consolidated fiscal year, the Company has shifted from merely setting forth profit and loss for the company included in the adjustments and company-wide figures as a whole to allocating profit and loss to individual business segments. Adjustments include 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 four business segments of the Finance Business, Automobile Warranty Business, Automotive Mobility Services Business, and Car Premium Business. Since the Group has managed profit and loss by segment since the first quarter of this consolidated fiscal year, segment information for the cumulative period through the second quarter of the previous consolidated fiscal year has been calculated, to the extent practical, using the same methods as those for the cumulative period through the second quarter of this consolidated fiscal year. Only revenues from external customers have been restated.

In the cumulative second quarter of this consolidated fiscal year, the Group's Finance Business recorded gains of 871 million yen on the reversal of an impairment loss recognized in previous fiscal years, reflecting sustained recovery in share prices and the recovering performance of equity method affiliate Eastern Commercial Leasing p.l.c. The amount recoverable is assessed based on the fair value obtained by deducting costs of disposal. This reversal is included under share of profit of investment accounted for using equity method.

Cumulative period through the second quarter of the previous consolidated fiscal year (April 1 to September 30, 2021)

	(Millions of yen)							Consolidated
	Reporting segment					Other ^{*1}	Adjustments and company-wide figures ^{*2}	
	Finance	Automobile	Automotive Mobility Services	Car Premium	Total			
Revenues								
Revenues from external customers	6,456	2,762	739	158	10,115	5	1	10,120
Segment profit/loss								
Profit for the term before tax	1,624	304	42	(61)	1,908	18	(11)	1,915

Cumulative period through the second quarter of this consolidated fiscal year (April 1 to September 30, 2022)

	(Millions of yen)							Consolidated
	Reporting segment					Other ^{*1}	Adjustments and company-wide figures ^{*2}	
	Finance	Automobile	Automotive Mobility Services	Car Premium	Total			
Revenues								
Revenues from external customers	7,282	3,165	1,160	277	11,884	2	1	11,887
Segment profit/loss								
Profit for the term before tax	3,020	320	177	(41)	3,477	(3)	(12)	3,461

*1 "Other" refers to business segments not included in reporting segments and mainly consists of the computer systems business.

*2 "Adjustments and company-wide figures" consists mainly of elimination entries for internal transactions between segments. To clearly indicate the contributions and results of each reporting segment, starting with the cumulative second quarter of this consolidated fiscal year, the Company has shifted to allocating profit and loss to individual business segments.

(Important subsequent events)
Not applicable