



# Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [IFRS]

May 2, 2023

Company Name Premium Group Co., Ltd. Listed on the Tokyo Stock Exchange  
 Stock Code 7199 URL <https://www.premium-group.co.jp/>  
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Scheduled date of regular general meeting of shareholders: June 28, 2023 Scheduled date of commencement of dividend payment: June 8, 2023  
 Scheduled date of securities report submission: June 29, 2023  
 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, 2023 (April 1, 2022 to March 31, 2023)

### (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, 2023	25,263	20.9	4,245	9.9	5,344	33.0	4,014	35.4	4,005	36.2
Fiscal year ended March 31, 2022	20,888	16.7	3,864	35.7	4,017	16.0	2,964	23.8	2,941	23.4

	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, 2023	4,097	36.1	103.45	102.79	34.7	5.8
Fiscal year ended March 31, 2022	3,010	23.0	76.46	75.79	34.8	5.4

Reference: Equity method investment profit/loss FY Ended March 31, 2023 1,075 million yen FY Ended March 31, 2022 213 million yen

(Notes) 1. Due to a change in the disclosure method, some of the wording (such as "Operating income" and "Operating expenses" 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, 2023	101,992	13,407	13,376	13.1	343.94
Fiscal year ended March 31, 2022	81,800	9,814	9,710	11.9	251.57

(Notes) 1. 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, 2023	(449)	(2,320)	6,181	14,848
Fiscal year ended March 31, 2022	1,608	(1,028)	2,797	11,433

## 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, 2022	–	25.00	–	26.00	51.00	655	22.2	7.7
Fiscal year ended March 31, 2023	–	10.00	–	11.00	21.00	815	20.3	3.8
Fiscal year ending March 31, 2024 (forecast)	–	13.00	–	13.00	26.00		24.7	

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

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. Dividends before the end of the Fiscal Year Ending March 31, 2022 indicate the actual dividend amount before said split of shares. Thus, the annual dividend for the Fiscal Year Ending March 31, 2023, before the split of shares, was 63.00 yen per share, for an increase of 12.00 yen per share.

## 3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024

(April 1, 2023 to March 31, 2024)

	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, 2024	30,500	20.7	6,000	12.3	4,200	4.6	4,200	4.9	107.37

### \* 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, 2023	40,327,770 shares	Fiscal year ended March 31, 2022	40,184,970 shares
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2) Number of treasury shares at end of period

Fiscal year ended March 31, 2023	1,437,844 shares	Fiscal year ended March 31, 2022	1,586,655 shares
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3) Average number of shares during period

Fiscal year ended March 31, 2023	38,716,966 shares	Fiscal year ended March 31, 2022	38,465,910 shares
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(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, 2023 (April 1, 2022 to March 31, 2023)

(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, 2023	3,716	19.9	1,955	28.7	1,914	29.8	1,916	34.2
Fiscal year ended March 31, 2022	3,098	28.9	1,514	34.4	1,470	38.9	1,423	37.9

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	49.48	49.16	49.16	49.16
Fiscal year ended March 31, 2022	36.99	36.67	36.67	36.67

(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 1 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, 2023	14,197	6,850	47.6	176.15
Fiscal year ended March 31, 2022	12,635	5,380	42.3	139.38

Reference: Equity capital      FY Ended March 31, 2023      6,751 million yen      FY Ended March 31, 2022      5,348 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: <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.

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## 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, 2022 to March 31, 2023), bolstered by progress in vaccinations against COVID-19 and the lifting of travel restrictions. Nonetheless, the outlook is still uncertain due to factors such as soaring global resource prices due to the prolonged situation in Russia and the Ukraine and high volatility of exchange rates. 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 2022 through March 2023 fell to 3,022,531 vehicles (down 4.6% 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, our group seeks 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 current consolidated fiscal year under review is summarized below. The results shown exclude revenues from internal sales between segments. The Company changed its business segments in the first quarter of the current consolidated fiscal year and its method of calculating segment income or loss in the second quarter of the current consolidated fiscal year. As a result, segment information for the previous consolidated fiscal year has been restated, to the extent practicable, to reflect the same method of calculation as that used in the current consolidated fiscal year. The segment information for the previous fiscal year has been restated to conform to the current fiscal year to the extent practicable.

In the Finance Business, instability in the market environment continued due to a delayed recovery in the number of used vehicles in distribution and high prices for used vehicles; however, the production of new vehicles generally recovered from the beginning of the fourth quarter and the used vehicle market showed signs of gradual recovery. In this environment, the Company's credit transaction volume increased from the two preceding years as a result of promotional activities by auto dealers to attract paying members and maintain competitive superiority. In addition, increased efficiency in the collection of overdue receivables through digital transformation (DX) of operations as well as steady servicing results attributable to the consolidated subsidiary Central Servicer Corporation resulted in operating income of 15,020 million yen, up 14.3% from the previous consolidated fiscal year, and segment income of 4,407 million yen, up 34.1% from the previous consolidated fiscal year.

In the Automobile Warranty Business, as with the Finance Business, the used vehicle market is showing a recovery trend, and as a result of the expansion of new customers and promotional efforts for warranty services for paying members, the total volume of new warranties rose compared to the two preceding years. 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 6,422 million yen (up 13.7% from the previous consolidated fiscal year). In addition, the Company strived to reduce costs by inducing repaired vehicles that have broken down to enter the Group's maintenance network and using used parts procured from Group companies for repairs, but due to an increase in headquarters expenses, segment income decreased 28.4% from the previous consolidated fiscal year to 551 million yen.

In the Automotive Mobility Services Business, operating income was 2,944 million yen (up 64.6% from the previous consolidated fiscal year) as a result of a focus on the development of paying member services and the expansion of new businesses, as well as growth in software sales and wholesale vehicle sales due to an increase in the number of credit card member dealers and maintenance workshop network companies, as well as an increase in the number of paying member structures. Segment profit increased to 344 million yen (up 232.5% from the previous consolidated fiscal year).

In the Car Premium Business, operating profit increased to 871 million yen (up 186.4% from the previous consolidated fiscal year) and segment profit to 47 million yen (up 139.2% from the previous consolidated fiscal year) as a result of a successful increase in the number of paying members among car dealers and auto repair shops and a shift to higher-level membership structures through service expansion and an increase in membership fee income.

In our international businesses, gains on equity-method investments were 1,075 million yen, up 405.0% from the previous consolidated fiscal year, thanks to improved performance by Eastern Commercial Leasing p.l.c. in Thailand.

Operating costs rose to 21,018 million yen, up 23.5% 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 for the consolidated year under review of 25,263 million yen (up 20.9% from the previous consolidated fiscal year); profits before tax of 5,344 million yen (up 33.0% from the previous consolidated fiscal year); operating income of 4,245 million yen (up 9.9% from the previous consolidated fiscal year); and profit attributable to owners of the parent of 4,005 million yen (up 36.2% 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 101,902 million yen, up 20,192 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 9,270 million yen in financial receivables and 3,424 million yen in other financial assets.

(Liabilities)

At the end of the consolidated fiscal year under review, total liabilities stood at 88,585 million yen, up 16,599 million yen from the end of the previous consolidated fiscal year. This was due mainly to an increase of 6,753 million yen in financial guarantee policies and 7,923 million yen in borrowings.

(Capital)

At the end of the consolidated fiscal year under review, total capital stood at 13,407 million yen, up 3,593 million yen from the end of the previous consolidated fiscal year, due mainly to an increase of 3,283 million yen in retained earnings and other factors. Total equity attributable to owners of parent grew 3,666 million yen from the end of the previous consolidated fiscal year to 13,376 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 449 million yen (vs. 1,608 million yen in cash flow used in operating activities in the previous consolidated fiscal year); total cash flow used in investing activities of 2,320 million yen (vs. 1,028 million yen in cash flow used in investing activities in the previous consolidated fiscal year); and total cash flow from financing activities of 6,181 million yen (vs. 2,797 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 14,848 million yen, up 3,415 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 449 million yen. Major revenues from operating activities included 5,344 million yen in profit before tax and an increase of 6,751 million yen in financial guarantee contracts. Major expenditures included an increase of 9,270 million yen in financial receivables and an increase of 4,303 million yen in other assets.

(Cash flow from investing activities)

Funds diverted to investments during the consolidated fiscal year under review totaled 2,320 million yen. Major expenditures on investment efforts included expenditures of 1,836 million yen on the acquisition of property, plant, and equipment and 319 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 6,181 million yen. Major revenues from financing activities included 13,358 million yen in long-term borrowings and 3,500 million yen in short-term borrowings. Major expenditures included 2,600 million yen in repayment of short-term borrowings, 6,349 million yen in repayment of long-term borrowings, and 849 million yen in repayment of lease liabilities.

(4) Future outlook

During the next consolidated fiscal year (April 1, 2023 to March 31, 2024), the outlook for the used vehicle market, the primary market in which we operate, is expected to remain uncertain as the global shortage of semiconductors and the impact of COVID-19 begin to subside, while concerns about inflation intensify. Furthermore, the prolonged situation in Russia and the Ukraine is causing global resource prices to rise and exchange rates to fluctuate widely, leading to growing concerns about inflation and economic recession. The market is therefore likely to continue facing uncertainty. However, given the essential nature of cars for the activities of individual consumers, the used vehicle market is likely to exhibit stable and firm demand, and we expect to see improvements in consolidated business performance forecasts for the fiscal year ending March 2024. Even in such a difficult market environment, the Group aims to improve its performance by maximizing synergies among its four businesses, mainly in the Car Premium Business, while enhancing the recognition of its Car Premium service brand and building a stable network by expanding paying member structures.

In addition, a new medium-term management plan, ONE & ONLY 2026, will be launched in the fiscal year ending March 31, 2024. Using the platform built before the previous consolidated fiscal year as a foundation, we will expand the scale of our paying member structures and services, and by combining our four businesses with our unique strengths, we will make great leaps towards becoming a ONE AND ONLY (unique) automotive mobility company. We will further strive 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, 2022)	This consolidated fiscal year (March 31, 2023)
Assets		
Cash and cash equivalents	11,433	14,857
Financial receivables	35,733	45,003
Other financial assets	5,786	6,758
Property, plant, and equipment	3,648	3,074
Intangible assets	6,279	7,930
Goodwill	3,958	3,958
Investments accounted for using equity method	1,600	2,624
Deferred tax assets	3	5
Insurance assets	3,284	4,465
Other assets	10,075	13,317
<b>Total assets</b>	<b>81,800</b>	<b>101,992</b>
Liabilities		
Financial guarantee contracts	30,065	36,818
Borrowings	23,759	31,682
Other financial liabilities	7,248	7,879
Provisions	366	363
Income taxes payable	720	603
Deferred tax liabilities	1,238	1,305
Other liabilities	8,590	9,935
<b>Total liabilities</b>	<b>71,987</b>	<b>88,585</b>
Equity		
Equity attributable to owners of parent		
Capital	1,700	1,700
Share premium	1,295	1,415
Treasury shares	7,722	11,006
Retained earnings	(1,201)	(1,088)
Other components of equity	194	343
<b>Total equity attributable to owners of parent</b>	<b>9,710</b>	<b>13,376</b>
Non-controlling interests	103	31
<b>Total equity</b>	<b>9,814</b>	<b>13,407</b>
<b>Total liabilities and equity</b>	<b>81,800</b>	<b>101,992</b>

## (2) Consolidated Statement of Profit and Loss

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	This consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Operating income	20,888	25,263
Operating expense	17,024	21,018
Operating profit	3,864	4,245
Share of profit of investments accounted for using equity method	213	1,075
Other finance income	3	59
Other finance cost	63	35
Profit before tax	4,017	5,344
Income tax expense	1,053	1,330
Profit	2,964	4,014
Attributable to		
Owners of parent	2,941	4,005
Non-controlling interests	23	9
Profit	2,964	4,014
Earnings per share attributable to owners of parent		
Basic earnings per share (yen)	76.46	103.45
Diluted earnings per share (yen)	75.79	102.79

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.

(3) Consolidated Statement of Comprehensive Income

	(Unit: million yen)	
	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	This consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Profit	2,964	4,014
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	(4)	12
Share of other comprehensive income of investments accounted for using equity method	50	71
Other comprehensive income (net of tax)	46	83
Comprehensive income	3,010	4,097
Attributable to:		
Owners of parent	2,988	4,090
Non-controlling interests	22	7
Comprehensive income	3,010	4,097

## (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, 2021	1,612	1,281	5,403	(1,201)	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	(621)	(1)	30	-
Balance as of March 31, 2022	1,700	1,295	7,722	(1,201)	40	158
Comprehensive income						
Profit	-	-	4,005	-	-	-
Other comprehensive income	-	-	-	-	-	71
Total comprehensive income	-	-	4,005	-	-	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	11,006	(1,088)	105	230

(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, 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
Comprehensive income					
Profit	-	-	4,005	9	4,014
Other comprehensive income	13	85	85	(2)	83
Total comprehensive income	13	85	4,090	7	4,097
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	13,376	31	13,407

## (5) Consolidated Statement of Cash Flows

(Unit: million yen)

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	This consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Cash flow from operating activities		
Profit before tax	4,017	5,344
Depreciation and amortization expense	1,294	1,419
Other gains and losses	185	158
Decrease (increase) in financial receivables	(7,619)	(9,270)
Increase (decrease) in financial guarantee contracts	4,986	6,751
Decrease (increase) in other financial assets	(504)	(531)
Increase (decrease) in other financial liabilities	369	905
Decrease (increase) in other assets	(1,251)	(4,303)
Increase (decrease) in other liabilities	1,428	1,336
Share of loss (profit) of investments accounted for using equity method	(213)	(1,075)
Other	134	336
Subtotal	2,825	1,071
Interest received	1	1
Dividends received	(153)	(207)
Interest paid	98	148
Income taxes paid	(1,344)	(1,622)
Income taxes refunded	181	160
Cash flow from (used in) operating activities	1,608	(449)
Cash flow from investing activities		
Purchase of investment securities	(1)	(100)
Purchase of property, plant, and equipment	(243)	(319)
Proceeds from sales of property, plant, and equipment	-	82
Purchase of intangible assets	(576)	(1,836)
Payments for loans receivable	(20)	(32)
Collection of loans receivable	15	21
Payments for guarantee deposits	(285)	(293)
Proceeds from collection of guarantee deposits	103	139
Cash flow from acquisition of subsidiary	-	10
Other	(22)	7
Cash flow from (used in) investing activities	(1,028)	(2,320)
Cash flow from financing activities		
Proceeds from short-term loans	15,100	3,500
Repayments of short-term loans	(16,000)	(2,600)
Proceeds from long-term loans	11,048	13,358
Repayments of long-term loans	(6,063)	(6,349)
Repayments of lease obligations	(805)	(849)
Payments for purchase of treasury shares	(1)	(0)
Dividends paid	(621)	(722)
Other	139	(158)
Cash flow from financing activities	2,797	6,181
Net increase (decrease) in cash and cash equivalents	3,378	3,412
Cash and cash equivalents at beginning of period	8,054	11,433
Effect of exchange rate changes on cash and cash equivalents	1	3
Cash and cash equivalents at end of period	11,433	14,848

(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)

Consolidated Statement of Profit and Loss

With a view to better presenting profit and loss as the result of major operating activities, and following the start of performance management using the same profit presentation in reports to the Board of Directors of the Company, the difference between operating income and operating expenses is now presented as “operating profit” for the consolidated financial year under review. As a result, an operating profit of 3,864 million yen is shown in the consolidated statement of profit and loss for the previous consolidated fiscal year.

Also, foreign exchange gain, which was included in Other finance income, is now included in Operating income (“Others”) due to the increased significance of foreign exchange fluctuations related to operating activities. To reflect this change in disclosure, the 14 million yen included in Other finance income in the previous consolidated fiscal year is now reclassified as Operating income.

(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.

Up to the previous consolidated fiscal year, the Group reported in three segments: the Finance Business, the Automobile Warranty Business, and the Auto-mobility Service Business.

Along with the establishment of Car Premium Co., Ltd. on March 1, 2022 and the reorganization of our group companies on April 1, 2022, we established the new "Car Premium Business" in addition to the existing reportable segments of Finance Business, Automobile Warranty Business, and Auto-Mobility Business starting from the consolidated fiscal year in review, making four new reportable segments. Accordingly, the Auto Leasing Business, which was included in the Finance Business in the previous consolidated fiscal year, is now included in the Auto-Mobility Business, while the auto parts sales business, which was included in the Auto-Mobility Business in the previous consolidated fiscal year, is now included in the Automobile Warranty 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 Automotive Mobility Service Business is made up of the Automotive mobility services business, which provides multiple services required to operate an automotive distribution business (e.g., automobile leasing, wholesale automobile sales, and software sales).

The Car Premium Business consists of the cultivation and promotion of membership network structures and the car maintenance and sales business.

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 prepared in the same manner as for the consolidated financial statements. However, starting from the consolidated fiscal year under review, the Company has changed the method of allocating to each business segment the segment profits and losses of the Company as a whole, which had been included in adjustments and corporate, in order to more clearly display the actual contribution and results of each segment. Adjustments and companywide figures mainly 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 following four business segments: the Finance Business, Automobile Warranty Business, Automotive Mobility Services Business, and Car Premium Business. The segment information for the previous fiscal year has been calculated using the same method as for the current fiscal year (to the extent practicable) and then restated.

The Group booked a gain on reversal of impairment loss (871 million yen) recognized in the previous years in the Finance Business in the consolidated fiscal year under review.

This resulted from the recognition of the continued recovery of the stock price based on the improved performance of Eastern Commercial Leasing p.l.c., a company that is accounted for by the equity method. The recoverable amount is measured at fair value after the deduction of disposal costs, and the gain on the reversal is included in "Gain on equity in earnings of associated companies" in the consolidated statements of profits and losses. Its fair value hierarchy is Level 1.

Previous consolidated fiscal year (April 1, 2021 to March 31, 2022)

(Unit: million yen)

	Reporting segment					Other (Note 1)	Adjustments and companywide figures (Note 2)	Consolidated
	Finance	Automobile Warranty	Automotive Mobility Services	Car Premium	Total			
Revenues								
Revenues from external customers	13,138	5,647	1,788	304	20,877	8	3	20,888
Segment profit/loss								
Profit (loss) before tax	3,286	769	103	△121	4,038	17	(38)	4,017

Consolidated fiscal year under review (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	Car Premium	Total			
Revenues								
Revenues from external customers	15,020	6,422	2,944	871	25,257	5	1	25,263
Segment profit/loss								
Profit (loss) before tax	4,407	551	344	47	5,349	24	(29)	5,344

(Note 1) “Others” 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.

### (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, 2021 to March 31, 2022)	This consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of common stock of parent (million yen)	2,941	4,005
Weighted average of total number of shares issued and outstanding during the period (shares)	38,465,910	38,716,966
Basic earnings per share (yen)	76.46	103.45

(2) Diluted earnings per share

	Previous consolidated fiscal year (From April 1, 2021 to March 31, 2022)	This consolidated fiscal year (From April 1, 2022 to March 31, 2023)
Profit attributable to owners of common stock of parent (million yen)	2,941	4,005
Profit used to calculate diluted earnings per share (million yen)	2,941	4,005
Basic weighted average of number of shares of common stock (shares)	38,465,910	38,716,966
Adjustments related to stock options issued by parent (shares)	342,505	251,931
Weighted average of number of shares of common stock used to calculate diluted earnings per share (shares)	38,808,415	38,968,897
Diluted earnings per share (yen)	75.79	102.79

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