

Premium Group
TCFD Report 2026

Disclosure Based on the TCFD Recommendations



Premium Group Co., Ltd. (7199)

October 1, 2026

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Message from the President

Premium Group Co., Ltd. (the "Group"), based on its mission, "Contributing to building a richer society by providing the best finance and services to people around the world," aims to contribute to the realization of a sustainable, circular society through its business activities.

To this end, the Group established a Sustainability Committee in the fiscal year ended March 31, 2024, and has been conducting regular scenario analyses of the risks and opportunities posed to our business by climate change based on the TCFD recommendations. The Group has also considered measures to fulfill our corporate social responsibility while focusing on the Group's business growth.

To realize a sustainable society, the Group strongly supports and endorses policies and regulatory guidelines related to the prevention of climate change, such as the Paris Agreement, an international consensus, and the "2050 Carbon Neutrality Goal" set forth by the Japanese government. In alignment with these national regulations and transition roadmaps, the Group has set a net-zero GHG emissions target by the fiscal year ending March 31, 2051, and will actively contribute to the realization of a decarbonized society.

Furthermore, the Group regularly confirms that the stance on climate change prevention taken by various industry associations in which the Group participates (such as Keidanren) is consistent with our environmental policy and commitments. Moving forward, the Group will continue to deepen our dialogue with all stakeholders through our TCFD reports and fulfill our responsibilities toward the realization of a sustainable society while ensuring sufficient information disclosure.

The Group has established an "Environmental Policy." This policy has been approved by our Board of Directors.

<Premium Group Environmental Policy>

① Scope of Application	The Group applies this policy across all its affiliated companies. It also expects all business partners involved in its services to endorse the policy and to ensure their understanding and compliance.
② Legal Compliance and Fulfillment of International Responsibilities	The Group complies with environmental conservation laws and regulations and supports international environmental initiatives promoted by United Nations organizations and other bodies.
③ Realization of a Decarbonized and circular society through Business	- The Group contributes to the realization of a decarbonized and circular society by providing environmentally friendly services and through business activities aimed at solving social and environmental issues. - The Group positions environmental issues as a key management challenge and strives to reduce risks associated with climate change and environmental pollution. - The Group promotes a gradual transition toward 100% use of renewable energy and is committed to its realization. - The Group aims to achieve net-zero GHG emissions by the fiscal year ending March 2051 and will work to improve energy efficiency and introduce renewable energy. At the same time, the Company will strengthen its response to climate change through science-based target setting and information disclosure. - The Group emphasizes dialogue with stakeholders in its efforts to address environmental issues and promotes sustainable initiatives and raises environmental awareness through employee environmental education and collaboration with stakeholders. - The Group respects scientific knowledge on climate change and will not provide funding, cooperation, or engage in any activities that deny its existence or lobbying activities that oppose related regulations. When participating in industry associations, the Group will ensure that its involvement is consistent with its environmental policy.

④ Setting Group-wide Environmental Targets	To minimize GHG emissions and waste generated from its business activities, the Group will set environmental targets and promote and continuously improve its initiatives.
⑤ Building a Supply Chain for a circular society	Considering the impact on the environment and ecosystems, the Group will promote the use of used vehicles through the expansion of its main businesses, and will also promote the 4R business for automobiles (Reduce [Automobile Warranty Business], Recycle [Recycled Parts Business], Reuse [Reuse Business], and Repair [Repair Business]) to contribute to the formation of a circular society.
⑥ Disclosure to External Stakeholders	- The Group will disclose its environmental conservation initiatives to business partners such as affiliated dealers and work together to achieve a decarbonized, circular society. - To support customers (end-users) who are engaged in environmentally friendly initiatives, the Group will promote the introduction of environmentally friendly products and the provision of products that enhance environmental value, aiming for the realization of a sustainable society. - The Group will strengthen its collaboration with government agencies and other organizations to respond to natural disasters associated with climate change and to realize a decarbonized society.

(1) Supervisory System of the Board of Directors

Regarding significant issues (risks and opportunities) related to the sustainability of society and the Group, such as consideration for global environmental problems including climate change, the Board of Directors receives reports from the Sustainability Committee at least once a year, and monitors, deliberates on, and supervises the goals and progress of initiatives in each field. Please refer to the diagram below for the skills of the Group's Directors and Audit & Supervisory Board Members.

	Name	Position/ Concurrent Positions	Skills (Skill Matrix)											
			Corporate Management	Industry Knowledge			Sales & Marketing	Global	Finance & Accounting	Legal & Compliance	Internal Control & Governance	ESG/ CSR	HR/ OD/ D&I	M&A
				Finance	Warranty	Mobility								
Director	Yohichi Shibata		◎	◎	◎	◎	◎	◎				◎	◎	
	Yoshiyuki Tsuchiya		◎	◎	◎	◎	◎	◎				◎		
	Tomohiro Kanazawa			◎					◎	◎	◎	◎		◎
	Tsuguhiro Nakagawa	Outside Director / Independent Officer	◎	◎	◎	◎	◎							
	Yuka Horikoshi	Outside Director / Independent Officer		◎					◎	◎				
	Hiromi Oshima	Outside Director / Independent Officer						◎	◎					◎
Audit & Supervisory Board Member	Toshihiro Kametsu			◎					◎		◎			
	Setsuo Higuchi	Outside Audit & Supervisory Board Member / Independent Officer							◎		◎			
	Yukari Narita	Outside Audit & Supervisory Board Member / Independent Officer							◎		◎			

(2) Sustainability Committee Execution Structure

The President and Representative Director, CEO who is the Chief Sustainability Officer, serves as the Chairman of the Sustainability Committee. The Sustainability Committee is composed of the Chairman, committee members, observers, and a secretariat. It formulates policies and strategies, including those for climate change, and evaluates and manages material issues (risks and opportunities).

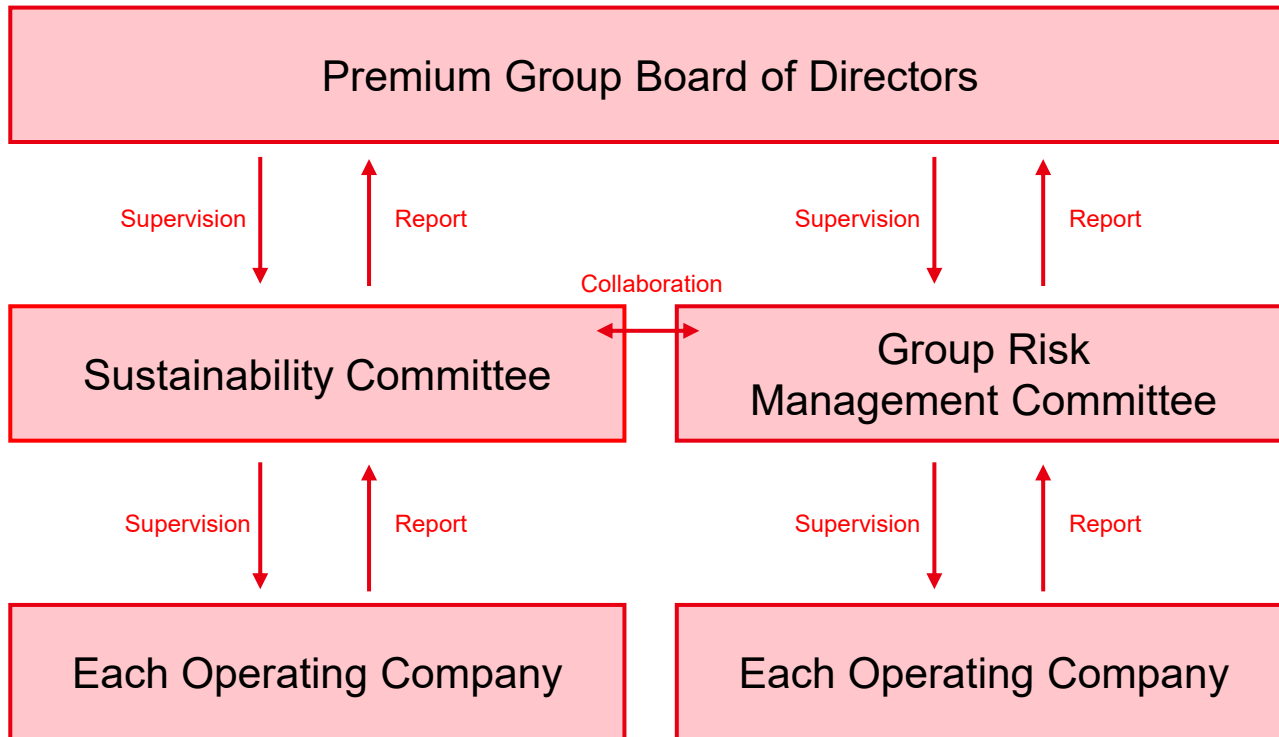
Led by the Sustainability Committee, the Group will proactively disclose the status of its initiatives for climate change measures, which is a top-priority theme. At the same time, it will continuously make improvements by managing data through mechanisms such as its environmental management system and conduct management reviews of the results.

(3) Governance Structure Diagram

The Board of Directors oversees the Sustainability Committee and the Group Risk Management Committee, and the Sustainability Committee and the Group Risk Management Committee oversee each operating company.

The Sustainability Committee primarily manages risks and opportunities associated with climate change, considering short-to-long-term climate variations. On the other hand, the Group Risk Management Committee primarily manages risks related to business operations themselves, such as investment risk and financing risk. Additionally, the Sustainability Committee and the Group Risk Management Committee hold joint meetings at least once a year to share information.

<Governance Structure>



Composition of the Sustainability Committee

- Chairperson: President, Representative Director, CEO
- Members: Heads and Persons in Charge of Each Department
- Observer: Executive Officers of consolidated subsidiaries
- Secretariat: Sustainability Promotion Office

(1) Time Horizons for Short, Medium, and Long Term

The time horizons have been established in alignment with the Group’s GHG reduction targets, the timeline of the Paris Agreement, and the target years set by the Japanese government.

To achieve carbon neutrality by 2050 (fiscal year ending March 2051), the Group aims to reduce its GHG emissions by 21.4% by the fiscal year ending March 31, 2028, and by 58.8% by the fiscal year ending March 31, 2035, compared to the fiscal year ended March 31, 2024.

Time Horizon	Target Fiscal Year	GHG Emission Reduction Rate
Short-term	FY2028	21.4%
Medium-term	FY2035	58.8%
Long-term	FY2051	100.0%

(2) Assessment of Climate-Related Risks and Opportunities

1. Scenario Setting

The analysis of climate-related risks and opportunities refers to internationally recognized scenarios.

4°C Scenario	RCP8.5 (Physical Risk)	RCP8.5 is one of the GHG emission scenarios used by the Intergovernmental Panel on Climate Change (IPCC) and is classified as the highest emission scenario. This scenario predicts the effects of climate change if GHG emissions increase significantly and global warming progresses.
1.5°C Scenario	IEA NZE 2050 (Transition Risk)	IEA NZE 2050 is a scenario presented by the International Energy Agency (IEA) that shows a pathway to achieve net-zero emissions by 2050, aiming to limit the global average temperature increase to 1.5°C compared to pre-industrial levels. This scenario plays a normative role in promoting concrete actions toward decarbonization, such as setting targets for energy policy and technology development.

(Reference) Overview of Scenarios in EV Sales Volume

The EV market is expected to expand due to the promotion of the decarbonization market.

The Group analyzes risks and opportunities using the EV sales forecast values from the IEA's scenarios.

2. Scenario Analysis Procedure

Climate-related risks and opportunities are analyzed in the following sequence.

① Listing of Climate-Related Risk and Opportunity Items	• Identification of climate change risks and opportunities • Setting evaluation criteria for risks and opportunities • Evaluation of risks and opportunities
② Qualitative Assessment of Business Impact	• Listing highly relevant existing scenarios • Setting of climate change scenarios
③ Quantitative Assessment of Financial Impact	• Based on the key climate-related risks and opportunities and related parameters identified for each scenario, analyze the financial impact of each scenario
④ Consideration of Countermeasures	• Evaluation of the resilience of the Group's strategy to climate change risks and opportunities • Consideration of countermeasures based on the current assessment

3. Scenario Analysis Results

In conducting the scenario analysis, the Group identifies the classification, content, and time horizon of its main risks and opportunities. It then individually evaluates the quantitative impact (e.g., calculation of financial impact), qualitative impact (e.g., impact by stakeholder), and likelihood of occurrence in accordance with the evaluation criteria below to calculate the overall rank of risks and opportunities.

<Evaluation Criteria>

1) Likelihood of occurrence	Probability of occurrence: 80% or higher	3.0
	Probability of occurrence: 50% or higher and less than 80%	2.0
	Probability of occurrence: less than 50%	1.0
2) Impact <Quantitative impact>	High	3.0
	Medium	2.0
	Low	1.0
3) Impact <Qualitative impact>	Interest: High	3.0
	Interest: Medium	2.0
	Interest: Low	1.0

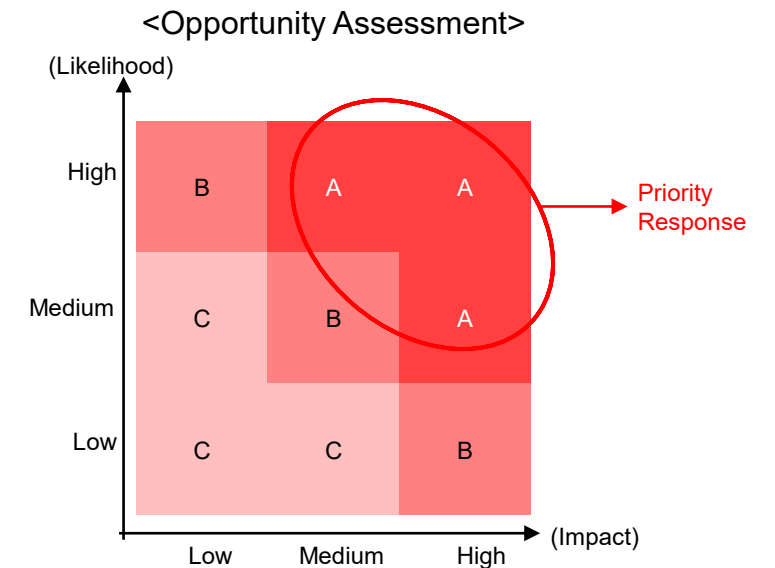
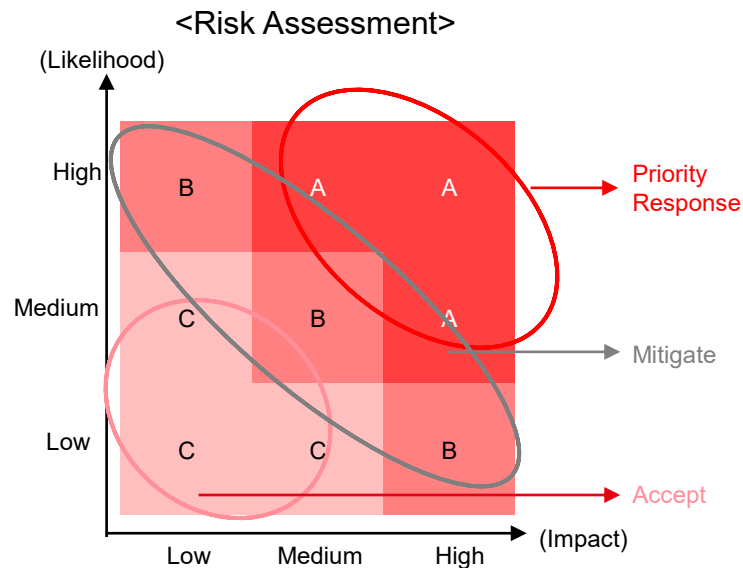
* Qualitative impact is evaluated individually for each stakeholder (customers, the Company, suppliers, government, investors, and local communities) and calculated based on the average value.

4) Risk/Opportunity Rank	- Likelihood 3.0 and Impact ≥ 1.5 - Likelihood 2.0 and Impact ≥ 2.0	A
	- Likelihood 3.0 and $1.5 > \text{Impact} \geq 1.0$ - Likelihood 2.0 and $2.0 > \text{Impact} \geq 1.5$ - Likelihood 1.0 and Impact ≥ 2.0	B
	- Likelihood 2.0 and $1.5 > \text{Impact}$ - Likelihood 1.0 and $2.0 > \text{Impact}$	C

* Impact is evaluated by the average of quantitative and qualitative impacts.

<Risk/Opportunity Matrix>

The Risk/Opportunity Matrix is prepared as follows based on the results of the scenario analysis. In particular, for risk assessment, A, and for opportunity assessment, evaluations of A and B, are defined as priority response items.



<Evaluation Results> Risk Assessment Sheet (1.5°C Scenario)

Category	Type	Description	Scope	Time Horizon	Scope of Financial Impact	Impact	Likelihood of occurrence	Risk Rank
Transition Risk	New Regulation	Shrinking market for gasoline-powered vehicles(Shrinking gasoline-powered vehicle market due to legal amendments related to climate-related issues and stricter regulations)	Direct operations	Medium-term	Revenue	1.8	2.0	B
	Market	Procurement of EVs (Shift from gasoline-powered vehicles to EVs)	Value chain (Upstream)	Medium-term	Expenses	1.5	2.0	B
		Sales of EVs (Shift from gasoline-powered vehicles to EVs)	Value chain (Downstream)	Medium-term	Revenue	1.7	2.0	B

Description	Quantitative Impact	Qualitative Impact
Shrinking market for gasoline-powered vehicles	2.0	1.7
Procurement of EVs	2.0	1.0
Sales of EVs	2.0	1.3

Customers	The Group	Suppliers	Government	Investors	Community
1.0	3.0	1.0	3.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
2.0	2.0	1.0	1.0	1.0	1.0

<Evaluation Results> Risk Assessment Sheet (4°C Scenario)

Category	Type	Description	Scope	Time Horizon	Scope of Financial Impact	Impact	Likelihood of occurrence	Risk Rank
Transition Risk	New Regulation	Changes in energy mix, rise in electricity prices	Direct operations	Medium-term	Expenses	1.3	3.0	B
	Current regulations	Increase costs due to soaring crude oil and gasoline prices	Direct operations	Medium-term	Expenses	1.1	2.0	C
Physical Risk	Chronic Risk	Sea level rise, damage to facilities and equipment in coastal areas Leading to delays or suspension of transportation	Direct operations	Long-term	Expenses	1.2	3.0	B

Description	Quantitative Impact	Qualitative Impact	Customers	The Group	Suppliers	Government	Investors	Community
Changes in energy mix, rise in electricity rates	1.0	1.5	1.0	2.0	1.0	3.0	1.0	1.0
Increase in costs due to soaring crude oil and gasoline prices	1.0	1.2	1.0	2.0	1.0	1.0	1.0	1.0
Sea level rise, damage to facilities and equipment in coastal areas Delays or suspension of transportation due to damage	1.0	1.3	1.0	2.0	2.0	1.0	1.0	1.0

<Evaluation Results> Countermeasures against risks

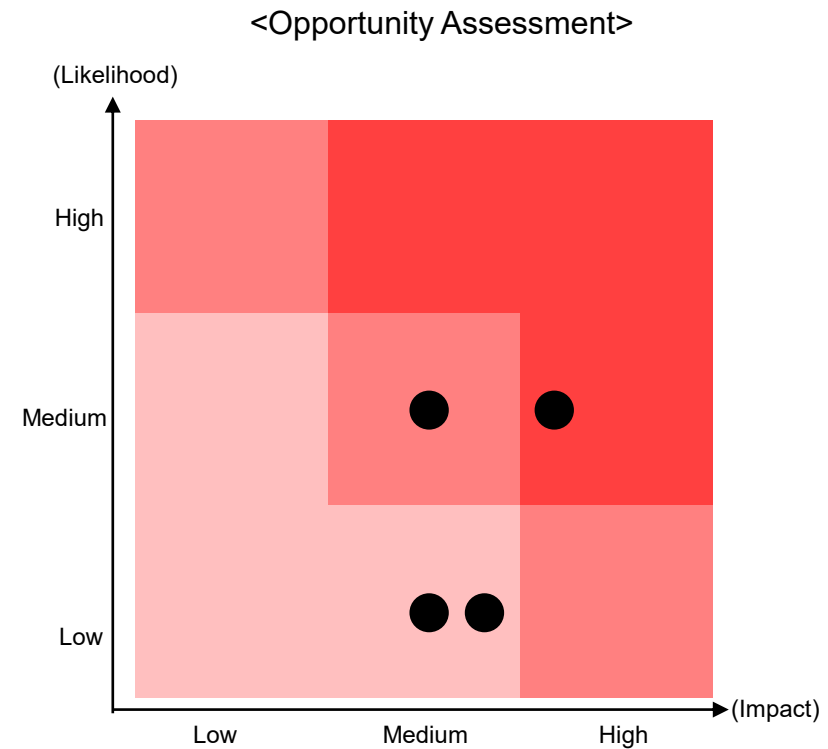
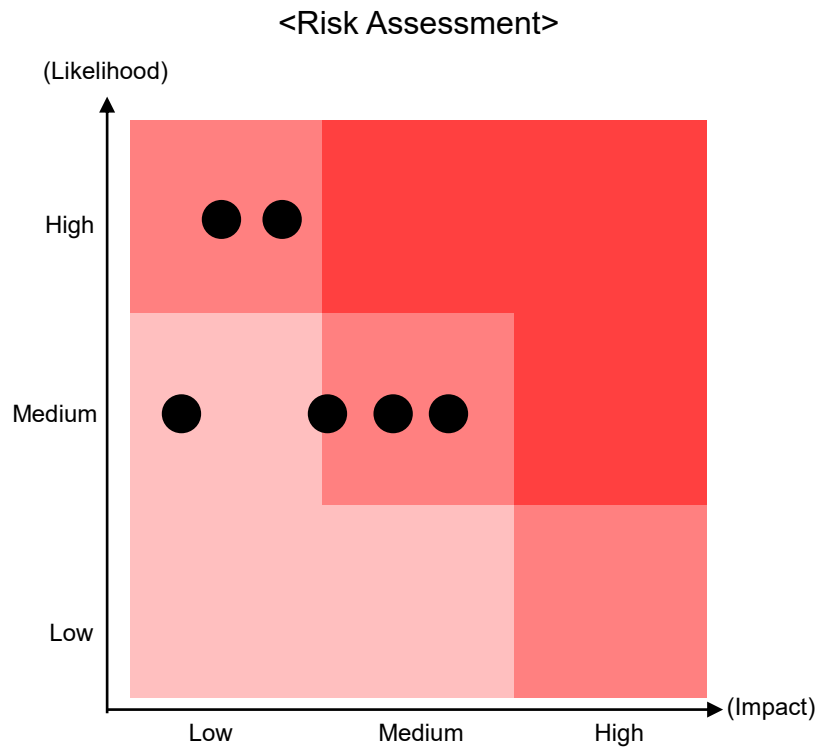
#	Category	Type	Description	Countermeasures
1	Transition Risk	New regulations	Shrinking market for gasoline-powered vehicles(Shrinking gasoline-powered vehicle market due to legal amendments related to climate-related issues and stricter regulations)	Development of products for EVs, business expansion into peripheral areas
2	Transition Risk	Market	Procurement of EVs (Shift from gasoline-powered vehicles to EVs)	Securing a stable and efficient procurement base
3	Transition Risk	Market	Sales of EVs (Shift from gasoline-powered vehicles to EVs)	Creating an environment where customers can purchase with peace of mind
4	Transition Risk	New regulations	Changes in energy mix, rise in electricity prices	Consideration of specific measures for energy-saving operations, raising awareness of energy conservation
5	Transition Risk	Current regulations	Increase costs due to soaring crude oil and gasoline prices	Optimization of fuel use, introduction of EVs, and review of operational efficiency
6	Physical Risk	Chronic risk	Sea level rise, damage to facilities and equipment in coastal areas Leading to delays or suspension of transportation	Relocation of business sites to areas not affected by sea level rise

<Evaluation Results> Opportunity Evaluation Sheet

Category	Description	Scope	Time Horizon	Scope of Financial Impact	Impact	Likelihood of occurrence	Opportunity Rank
New services	New EV brokerage sales	Direct operations	Medium-term	Revenue	1.7	2.0	B
	Provision of EV after-sales services	Direct operations	Medium-term	Revenue	2.0	2.0	A
New market expansion	EV sales	Direct operations	Medium-term	Revenue	1.7	1.0	C
	Provision of EV charging infrastructure	Direct operations	Medium-term	Revenue	1.9	1.0	C

#	Description	Quantitative Impact	Qualitative Impact	Customers	The Group	Suppliers	Government	Investors	Community
1	New EV brokerage sales	2.0	1.3	2.0	2.0	1.0	1.0	1.0	1.0
2	Provision of EV after-sales services	2.0	2.0	3.0	3.0	3.0	1.0	1.0	1.0
3	EV sales	2.0	1.3	2.0	2.0	1.0	1.0	1.0	1.0
4	Provision of EV charging infrastructure	2.0	1.7	3.0	3.0	1.0	1.0	1.0	1.0

The evaluation results of risks and opportunities are as follows.



The Company manages risks according to the following four procedures.

① Risk Identification and Assessment Process	The Sustainability Committee of the Group re-evaluates current risks and identifies and assesses new ones, taking into account the impact of climate-related risks on management, finance, and business operations, thereby identifying and reviewing significant risks. Specifically, climate change-specific risks are classified into "transition risks" and "physical risks," and objective risk assessments are conducted according to specific procedures based on two axes: the degree of impact on business activities (scale of financial and operational impact) and the likelihood of occurrence (time horizon: short, medium, and long term).
② Risk Mitigation Process	For the identified risks, the Sustainability Committee discusses and decides on response policies to mitigate them, disseminates these policies to relevant departments, and monitors their implementation status.
③ Prioritization Process	The significance of identified risks is objectively determined based on the severity of the assumed financial impact, the time horizon (when they materialize), and the frequency of occurrence.
④ Integration into Company-wide Risk Management	Climate-related risks and opportunities identified and evaluated by the Sustainability Committee are regularly reported to the Group Risk Management Committee and fully integrated and positioned within the company-wide ERM (Enterprise Risk Management) process. As a result, climate-related risks are treated equally with other company-wide management risks (legal, compliance, financial, etc.), and the prioritization of company-wide significant risk management, implementation of countermeasures, and centralized monitoring are conducted under the supervision of the Group Risk Management Committee.

The Group calculates GHG emissions for all consolidated companies listed in its securities report, based on the GHG Protocol. GHG emissions for the fiscal year ended March 31, 2026 are as follows.

Companies subject to calculation: Total of 17 companies
(Premium Group Co., Ltd., 13 domestic subsidiaries, and 3 overseas subsidiaries)
Reporting period : April 1, 2025 to March 31, 2026

Unit: t-CO2

Scope 1: direct emissions		1,252
Scope 2: energy-related indirect emissions	Location-based	550
	Market-based	375
Scope 3: emissions from other companies related to the company's business activities		68,371

Metrics and Targets

The breakdown of Scope 3 is as follows.

					Unit: t-CO2
Category 1	Purchased goods and services	25,181	Category 9	Transportation and distribution (downstream)	0
Category 2	Capital goods	3,236	Category 10	Processing of sold products	18,723
Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	318	Category 11	Use of sold products	13,462
Category 4	Transportation and distribution (upstream)	649	Category 12	End-of-life treatment of sold products	137
Category 5	Waste generated in operations	45	Category 13	Leased assets (downstream)	3,755
Category 6	Business travel	803	Category 14	Franchises	0
Category 7	Employee commuting	683	Category 15	Investments	6
Category 8	Upstream leased assets	1,374	Other	—	0

Metrics and Targets

To achieve carbon neutrality by 2050 (fiscal year ending March 2051), the Group has set a target to reduce the Group's GHG emissions (Scope 1 + Scope 2) by 21.4% by the fiscal year ending March 31, 2028, and by 58.8% by the fiscal year ending March 31, 2035, compared to the fiscal year ended March 31, 2024. In managing the achievement of our net-zero target, the Group has adopted the market-based method to appropriately reflect the effects of introducing renewable energy.

Target companies	Premium Group Co., Ltd. and its consolidated subsidiaries
Target scope	Scope 1 and Scope 2
Target setting (Short-term)	Fiscal year ending March 31, 2028: 21.4% reduction
Target setting (Medium-term)	Fiscal year ending March 31, 2035: 58.8% reduction
Target setting (Long-term)	Fiscal year ending March 31, 2051: Carbon Neutrality

The reduction targets and actual results are as follows.

Unit: t-CO2

	FY2024	FY2025	FY2026	FY2027	FY2028
Scope 1 Actual	1,222	1,063	1,252		
Scope 2 Actual	604	652	375		
Total (Scope 1+2)	1,826	1,715	1,627		
Reduction Target	-	5.3%	10.7%	16.1%	21.4%
Actual Reduction	-	6.1%	10.9%		

Metrics and Targets

The Group has calculated its contribution to GHG reduction from its businesses (finance business, automobile warranty business, and automotive parts sales business).

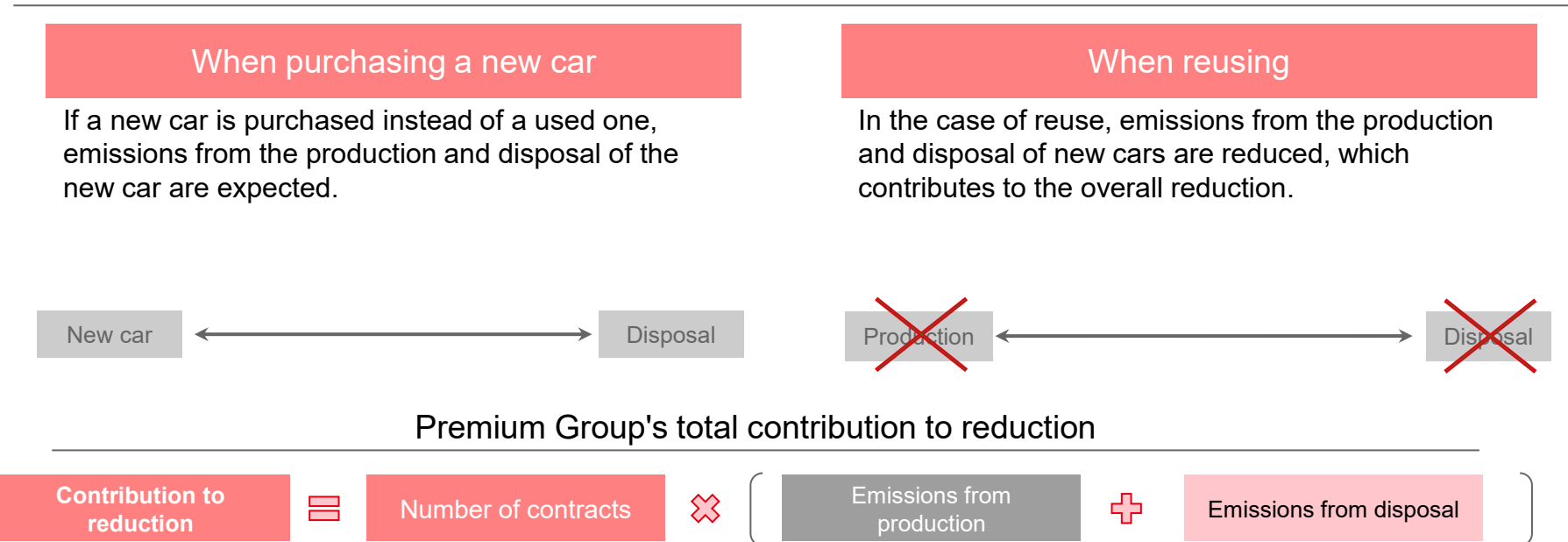
Unit: t-CO2

Finance Business (Reuse)	The Finance Business is expected to reduce the use of energy and resources in new vehicle production by promoting the distribution of used vehicles. Specifically, the GHG emissions generated during the manufacturing and scrapping of new vehicles are included in the reduction contribution. For each used vehicle that enters circulation, the production of a new vehicle is avoided, which is believed to significantly reduce the environmental impact.	137,798
Automobile Warranty Business (Reduce)	The Automobile Warranty Business is expected to extend the life of vehicles by providing repair services in the event of a breakdown, thereby reducing GHG emissions associated with scrapping vehicles and purchasing new ones. By extending the life of vehicles, the energy consumption associated with mining and manufacturing new resources is reduced, which ultimately leads to a reduction in GHG emissions. Therefore, it is possible to calculate the life-extending effect per vehicle that uses the automobile warranty and calculate the contribution to reduction based on the total number of such vehicles.	1,028
Automotive Parts Sales Business (Recycle)	The Automotive Parts Sales Business suppresses emissions associated with the manufacturing of new parts by reusing recycled parts (parts from end-of-life vehicles).Based on data published by the Japan Automobile Recycled Parts Council, the contribution to reduction per recycled part can be determined, and by multiplying this by the number of parts used by the Group companies, the total contribution to reduction is calculated.	1,233

(1) Finance Business (Reuse)

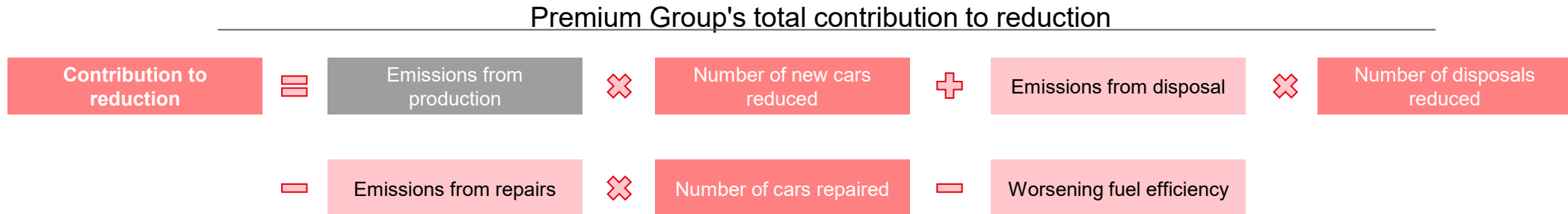
The Finance Business is expected to reduce the use of energy and resources in new vehicle production by promoting the distribution of used vehicles. Specifically, the GHG emissions generated during the manufacturing and scrapping of new vehicles are included in the reduction contribution. For each used vehicle that enters circulation, the production of a new vehicle is avoided, which is believed to significantly reduce the environmental impact.

CO2 Reduction through Reuse Business



(2) Automobile Warranty Business (Reduce)

The Automobile Warranty Business is expected to extend the life of vehicles by providing repair services in the event of a breakdown, thereby reducing GHG emissions associated with scrapping vehicles and purchasing new ones. By extending the life of vehicles, the energy consumption associated with mining and manufacturing new resources is reduced, which ultimately leads to a reduction in GHG emissions. Therefore, it is possible to calculate the life-extending effect per vehicle that uses the automobile warranty and calculate the contribution to reduction based on the total number of such vehicles.



<Prerequisites>

- The contribution to reduction is calculated by subtracting the increase in emissions from repairs and the increase in emissions due to worsening fuel efficiency from the reduction in new car sales and the reduction in the number of disposals resulting from the automobile warranty business.
- This calculation does not take into account differences in emissions due to minor differences in vehicle models.
- The calculation assumes that fuel efficiency deteriorates by 0.1% per year.

(3) Automotive Parts Sales Business(Recycle)

The automotive parts sales business suppresses emissions associated with the manufacturing of new parts by reusing recycled parts (parts from end-of-life vehicles).Based on data published by the Japan Automobile Recycled Parts Council, the contribution to reduction per recycled part can be determined, and by multiplying this by the number of parts used by the Group companies, the total contribution to reduction is calculated.

Total Number of Rebuilt Parts	4,778 units	Total Number of Used Parts	2,867 units
Rebuilt Parts Reduction Volume	463 t-CO2	Used Parts Reduction Volume	770 t-CO2