



Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2022 [IFRS]

November 5, 2021

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 quarterly report submission: November 12, 2021 Scheduled date of commencement of dividend payment: December 7, 2021

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, 2022 (April 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results (fiscal year to date) (% change from the same period of the 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	%
Second quarter of fiscal year ending March 31, 2022	10,104	20.5	1,915	(4.3)	1,365	3.3	1,358	3.4	1,302	(1.5)
Second quarter of fiscal year ended March 31, 2021	8,386	26.0	2,001	(34.4)	1,321	(28.6)	1,313	(28.8)	1,322	(29.2)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Second quarter of fiscal year ending March 31, 2022	106.02	104.73
Second quarter of fiscal year ended March 31, 2021	102.89	101.38

(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, 2022	70,739	8,346	8,260	11.7
Fiscal year ended March 31, 2021	68,156	7,291	7,211	10.6

2. Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	-	22.50	-	23.50	46.00
Fiscal year ending March 31, 2022	-	25.00			
Fiscal year ending March 31, 2022 (forecast)			-	25.00	50.00

Note: Revisions to dividends forecast most recently announced: None

3. Forecasts of Consolidated Financial Results for the Fiscal Year Ending March 31, 2022
(April 1, 2021 to March 31, 2022)

(% 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	21,446	20.3	3,500	1.1	2,422	1.2	2,409	1.1	186.99

Note: Revisions to financial forecast most recently announced: None

* 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, 2022	13,346,990 shares	Fiscal year ended March 31, 2021	13,334,390 shares
2) Number of treasury shares at end of period	Second quarter of fiscal year ending March 31, 2022	528,686 shares	Fiscal year ended March 31, 2021	528,293 shares
3) Average number of shares during period (fiscal year to date)	Second quarter of fiscal year ending March 31, 2022	12,809,977 shares	Second quarter of fiscal year ended March 31, 2021	12,764,700 shares

* 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 12.

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.

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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, 2021)	Second quarter of this consolidated fiscal year (September 30, 2021)
Assets		
Cash and cash equivalents	8,054	8,181
Financial receivables	23,394	24,860
Other financial assets	9,829	11,961
Property, plant, and equipment	3,644	3,553
Intangible assets	5,768	5,859
Goodwill	3,958	3,958
Investments accounted for using equity method	1,434	1,317
Deferred tax assets	2	4
Insurance assets	3,111	3,262
Other assets	8,961	7,785
Total assets	68,156	70,739
Liabilities		
Financial guarantee contracts	25,079	27,566
Borrowings	19,641	18,972
Other financial liabilities	6,703	6,158
Provisions	302	310
Income taxes payable	648	562
Deferred tax liabilities	1,404	1,378
Other liabilities	7,087	7,447
Total liabilities	60,865	62,393
Equity		
Equity attributable to owners of parent		
Capital	1,612	1,651
Share premium	1,281	1,287
Treasury shares	(1,201)	(1,201)
Retained earnings	5,403	6,460
Other components of equity	116	63
Total equity attributable to owners of parent	7,211	8,260
Non-controlling interests	79	86
Total equity	7,291	8,346
Total liabilities and equity	68,156	70,739

(2) Summary Quarterly Consolidated Statement of Profit and Loss

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2020 to September 30, 2020)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2021 to September 30, 2021)
Operating income	8,386	10,104
Other finance income	3	1
Share of profit of investment accounted for using equity method	-	78
Other income	625	16
Total income	9,015	10,199
Operating expense	6,944	8,216
Other finance cost	46	54
Share of loss of investments accounted for using equity method	12	-
Other expense	11	13
Total expense	7,014	8,283
Profit for the term before tax	2,001	1,915
Income tax expense	680	551
Profit for the term	1,321	1,365
Attributable to:		
Owners of parent	1,313	1,358
Non-controlling interests	8	6
Profit	1,321	1,365
Attributable to owners of parent earnings per share		
Basic earnings per share (yen)	102.89	106.02
Diluted earnings per share (yen)	101.38	104.73

(3) Summary Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2020 to September 30, 2020)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2021 to September 30, 2021)
Profit for the term	1,321	1,365
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Foreign exchange differences on translation of foreign operations	(0)	1
Share of other comprehensive income of investments accounted for using equity method	1	(63)
Other comprehensive income (net of tax)	1	(62)
Comprehensive income	1,322	1,302
Attributable to:		
Owners of parent	1,314	1,296
Non-controlling interests	7	6
Comprehensive income	1,322	1,302

(4) Summary Quarterly Consolidated Statement of Changes in Equity

(Millions of yen)

	Equity attributable to owners of parent				
	Capital	Share premium	Treasury shares	Retained earnings	Other components of equity
					Exercise of warrants
Balance as of April 1, 2020	1,534	1,260	(1,201)	3,587	10
Comprehensive income					
Profit	-	-	-	1,313	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,313	-
Transactions with owners, etc.					
Issuance of new share	0	0	-	-	-
Purchase of treasury shares	-	-	(0)	-	-
Share-based payment transactions	-	-	-	(280)	-
Transfers from share premium to capital	35	7	-	-	2
Total transactions with owners, etc.	35	7	(0)	(280)	2
Balance as of September 30, 2020	1,569	1,267	(1,201)	4,620	11

(Millions of yen)

	Equity attributable to owners of parent					
	Other components of equity					
	Share of other comprehensive income of investments accounted for using equity method	Exchange differences on translation of foreign operations	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2020	53	(1)	62	5,242	70	5,312
Comprehensive income						
Profit	-	-	-	1,313	8	1,321
Other comprehensive income	1	(0)	1	1	(0)	1
Total comprehensive income	1	(0)	1	1,314	7	1,322
Transactions with owners, etc.						
Issuance of new share	-	-	-	0	-	0
Purchase of treasury shares	-	-	-	(0)	-	(0)
Share-based payment transactions	-	-	-	(280)	-	(280)
Transfers from share premium to capital	-	-	2	43	-	43
Total transactions with owners, etc.	-	-	2	(237)	-	(237)
Balance as of September 30, 2020	55	(1)	65	6,320	77	6,397

(Millions of yen)

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

(5) Summary Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Cumulative second quarter of the previous consolidated fiscal year (From April 1, 2020 to September 30, 2020)	Cumulative second quarter of this consolidated fiscal year (From April 1, 2021 to September 30, 2021)
Cash flow from operating activities		
Profit for the term before tax	2,001	1,915
Depreciation and amortization expense	616	618
Other finance income and finance costs	110	93
Decrease (increase) in financial receivables	(641)	(1,450)
Increase (decrease) in financial guarantee contracts	1,025	2,487
Decrease (increase) in other financial assets	(1,516)	(2,110)
Increase (decrease) in other financial liabilities	(592)	(486)
Decrease (increase) in other assets	1,256	873
Increase (decrease) in other liabilities	358	275
Share of loss (profit) of investments accounted for using equity method	12	(78)
Other	(718)	117
Subtotal	1,911	2,255
Interest income earned	1	0
Dividend income received	-	98
Interest paid	(84)	(80)
Income tax paid	(381)	(654)
Income tax refunded	325	181
Cash flow from (used in) operating activities	1,771	1,800
Cash flow from investing activities		
Purchase of investment securities	-	(0)
Purchase of property, plant, and equipment	(566)	(156)
Purchase of intangible assets	(142)	(129)
Proceeds from sale of intangible assets	2	-
Payments for loans receivable	(15)	(5)
Collection of loans receivable	8	8
Payments for guarantee deposits	(53)	(87)
Proceeds from collection of guarantee deposits	149	45
Cash flow from acquisition of subsidiary (After deducting proceeds in cash upon acquisition)	(94)	-
Acquisition of affiliate companies	(48)	-
Other	10	1
Cash flow from (used in) investing activities	(749)	(325)
Cash flow from financing activities		
Proceeds from short-term loans	11,374	10,000
Repayments of short-term loans	(7,859)	(10,000)
Proceeds from long-term loans	2,007	2,469
Repayments of long-term loans	(2,761)	(3,158)
Repayment of lease liabilities	(368)	(394)
Payments for purchase of treasury shares	(0)	(0)
Dividends paid	(280)	(301)
Other	48	40
Cash flow from financing activities	2,160	(1,344)
Net increase (decrease) in cash and cash equivalents	3,183	131
Cash and cash equivalents at beginning of period	6,286	8,054
Effect of exchange rate changes on cash and cash equivalents	(0)	(4)
Cash and cash equivalents at end of period	9,468	8,181

- (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 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.

Throughout 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 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.

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) 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. 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 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.

Cumulative period through the second quarter of the previous consolidated fiscal year (April 1 to September 30, 2020)

	Reporting segment				(Millions of yen)	
	Finance	Automobile	Automotive Mobility Services	Total	Other *1	Adjustments and companywide figures *2
Revenues						
Revenues from external customers	5,865	1,961	560	8,386	-	-

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

	Reporting segment				(Millions of yen)	
	Finance	Automobile	Automotive Mobility Services	Total	Other *1	Adjustments and companywide figures *2
Revenues						
Revenues from external customers	6,626	2,169	1,309	10,104	0	-
Segment profit/loss						
Profit for the term before tax	1,533	236	16	1,785	18	113

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

*2 "Adjustments and companywide figures" consists mainly of elimination entries for internal transactions between segments and companywide figures not allocated to business segments.

(Important subsequent events)
Not applicable