



カ-プレミア

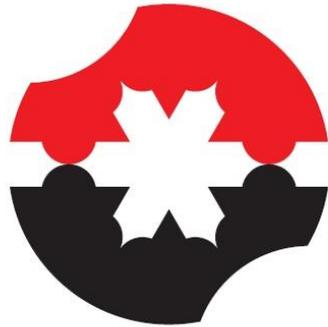
Financial Results Presentation

for 1H of FY Ending March 31,
2023

October 28, 2022

TSE Prime Section: 7199

Premium Group Co., Ltd.



カ-プレミア

1. Summary of Financial Results for 1H of FY Ending March 31, 2023
P.10 About the Upward Revision to Full-Year Forecast
2. Finance Segment
3. Automobile Warranty Segment
4. Auto Mobility Segment
5. Car Premium Segment
6. Appendix

※The results briefing videos is scheduled to be distributed on October 31, 2022.

Market Environment

- **Number of new vehicles sold and used passenger vehicles registered down again year on year** due to recent business environment circumstances
- **Severe market conditions** with declining used vehicle inventories and rising unit prices

Our KPIs and Performance

- Credit finance and automobile warranty **both hit record double-digit growth**
- Steady performance and one-off profits led to **upward revision of full-year forecast**

MTP Progress

- **Focused on building the member organization for Car Premium Club**
- **Launched the Car Premium website for customers**, building the foundations for achieving the platform concept

Future Strategy

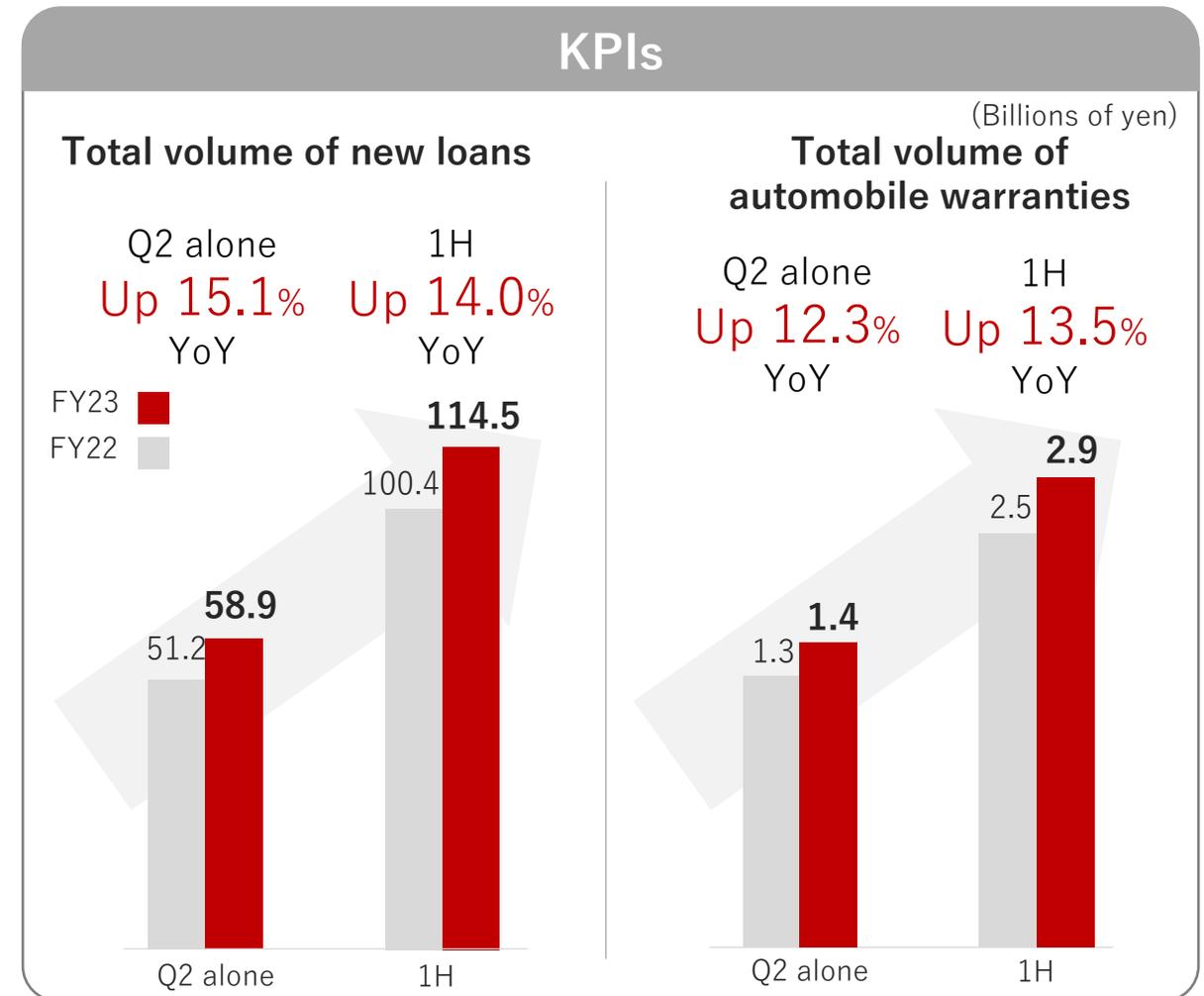
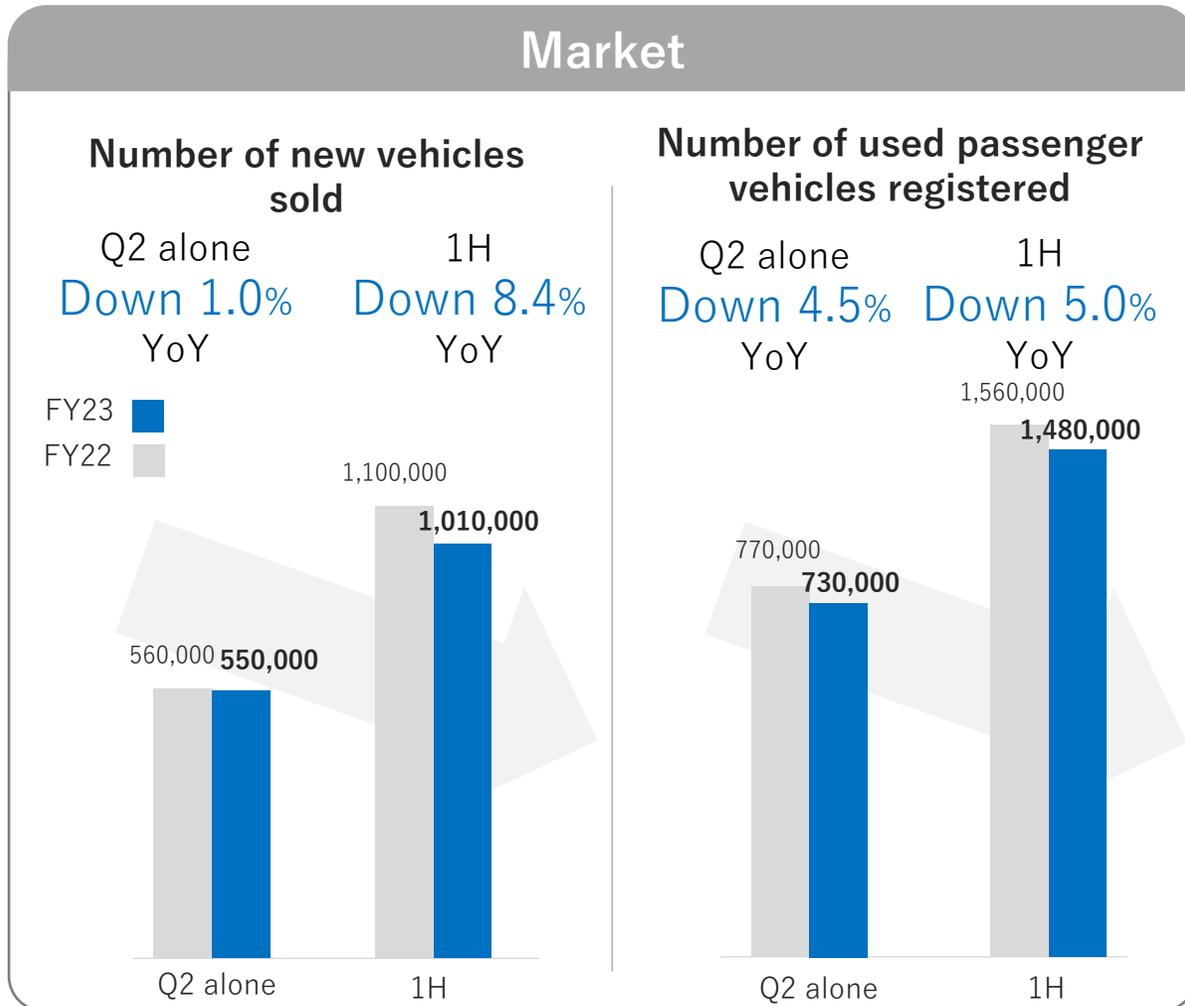
- **Sustainable growth** in the finance and automobile warranty segments and expansion of new businesses (**mobility/Car Premium**)
- Focus on encouraging conversion of network stores to **paid memberships** and **enhancing services for members**
- **Mass marketing of the Car Premium brand to increase visibility**



1. Summary of Financial Results for 1H of FY Ending March 31, 2023

Highlights from 1H of FY Ending March 31, 2023 (1)

- **Market** continues to **fall below previous year's levels**
- **Growth in volume of new loans for both credit finance and automobile warranty**

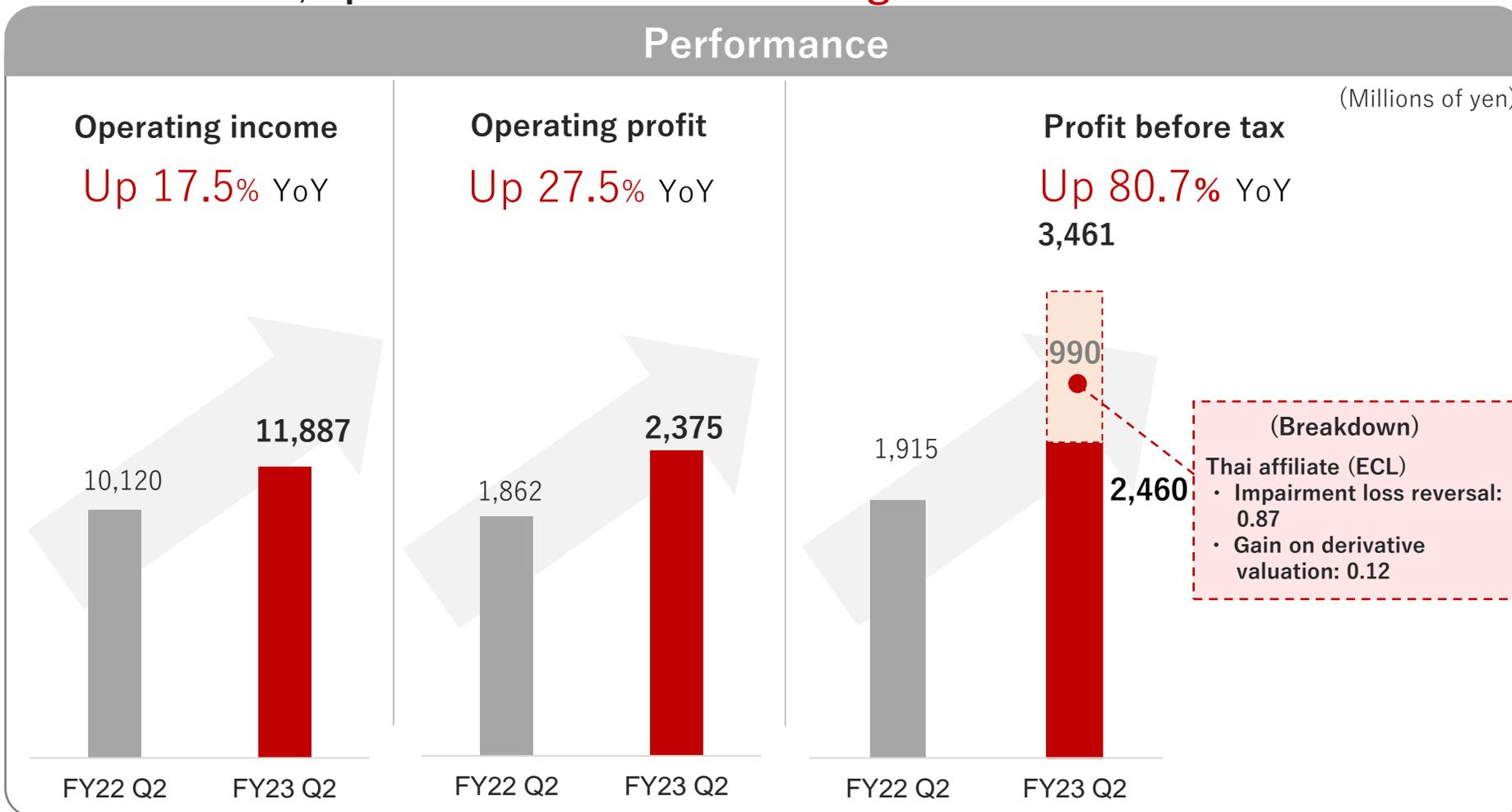


Note: FY2021 Q2 is the first quarter with impact reflected from the COVID-19-driven shortage of semiconductors.

FY2021 Q2 new vehicles sold: Q2 alone: 630,000 (Down 17.2% YoY) , 1H: 1,080,000 (Down 24.0% YoY) Used passenger vehicles registered: Q2: 860,000 (Up 1.6% YoY) , 1H: 1,600,000 (Down 3.2% YoY)

Highlights from 1H of FY Ending March 31, 2023 (2)

- **Higher profits and sales,** future expected earnings (deferred profit): **Approx. 40.0 billion** stocked on BS
- **Reversal of last year's impairment loss on our Thai affiliate (ECL)** results in **990 million** in profit before tax, up **28.6% YoY** when excluding one-off factors



Future expected earnings (deferred profit)

Whole Group
Approx. 40.0 billion JPY
Up 20.5% YoY

Finance
¥33,340 million
Up 21.0% YoY

Automobile warranty
¥6,210 million
Up 17.7% YoY

Other
¥370 million
Up 30.9% YoY

■ Implemented various stakeholder measures for **medium- to long-term growth**

Main Topics

Achieved 2,000 Car Premium Dealers ahead of schedule



Further enhanced services and **expanded the membership organization** toward the target of **3,000 companies** by March 31, 2025.

Raised stock ownership association incentive grant rate

5% → 15%

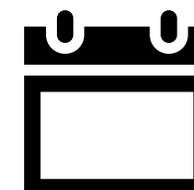
Promoted increased opportunities for employees to purchase shares and ensured stable demand for share purchases, **fostering a sense of unity** within the Group and **increasing liquidity in the stock market.**

Issued our first Annual Report (2022)



Describes the history of the Group, its strengths, achievements, and strategies, in terms of **both financial and non-financial information**

Further preponed results announcement to earliest date on record

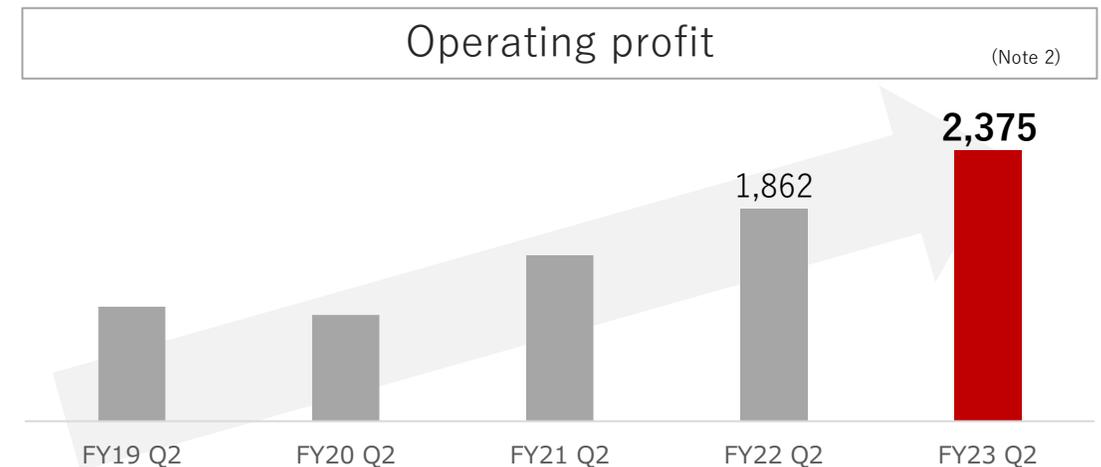
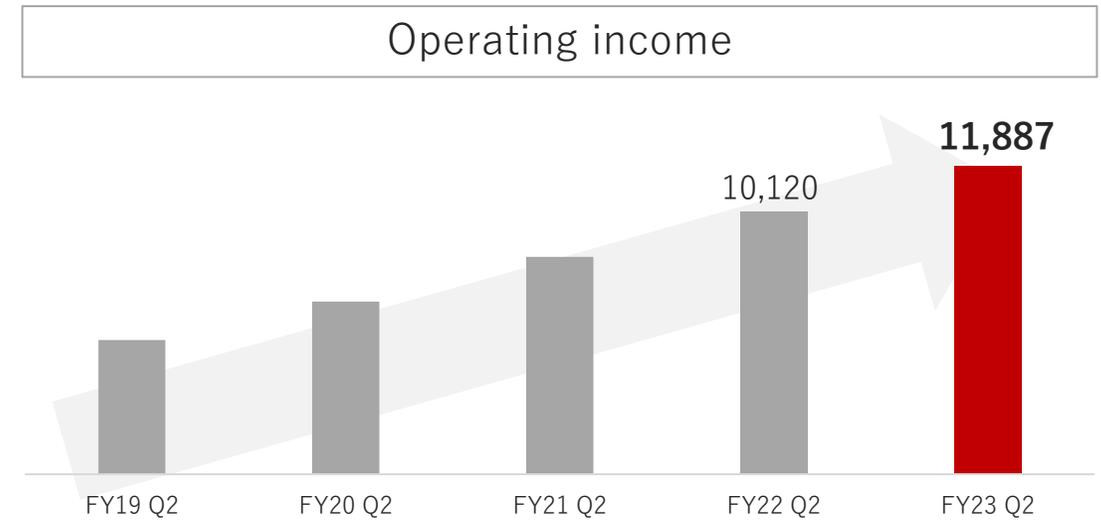


Achieved the **earliest results announcement in the industry in the TSE Prime Market** We will continue striving to disclose to investors as quickly as possible.

Consolidated Performance

- **Operating income of ¥11,887 million, up 17.5% YoY**
- **Operating profit up 27.5% YoY due to lower operating expenses from Group synergies**

	FY22 Q2	FY23 Q2	YoY change
Operating income	10,120	11,887	+17.5%
Operating expenses	8,258	9,512	+15.2%
Operating profit	1,862	2,375	+27.5%
Profit before tax	1,915	3,461	+80.7%
Profit attributable to owners of parent	1,358	2,641	+94.5%
Basic earnings per share (yen)	35.34	68.32	+93.3%

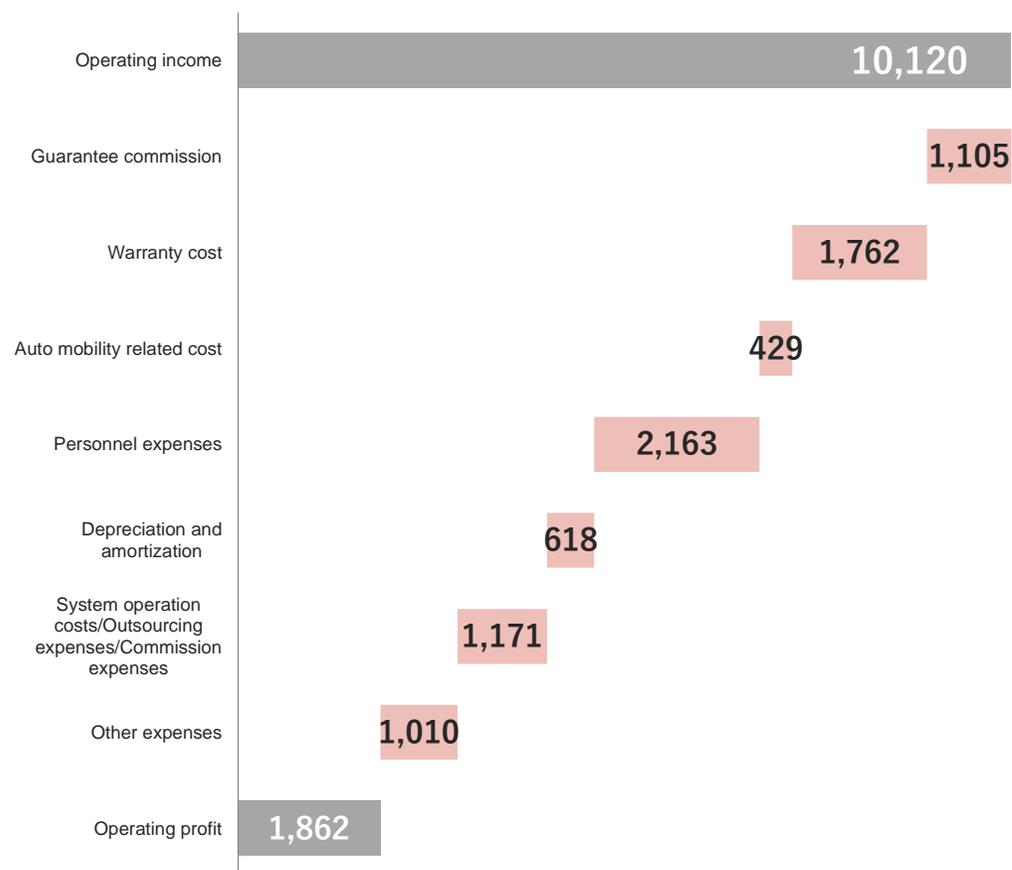


Notes: 1. Operating income and operating expenses for the previous fiscal year have been partially reclassified due to a change in presentation methods.
 2. Gain on valuation of insurance assets (FY2020) and gain on bargain purchase (FY2021) due to a change in accounting estimates are not included in operating profit as they are non-recurring items.
 3. The Company conducted a 3-for-1 stock split of common shares effective September 1, 2022, and basic earnings per share for FY2022 Q2 is calculated assuming that the stock split had taken place.

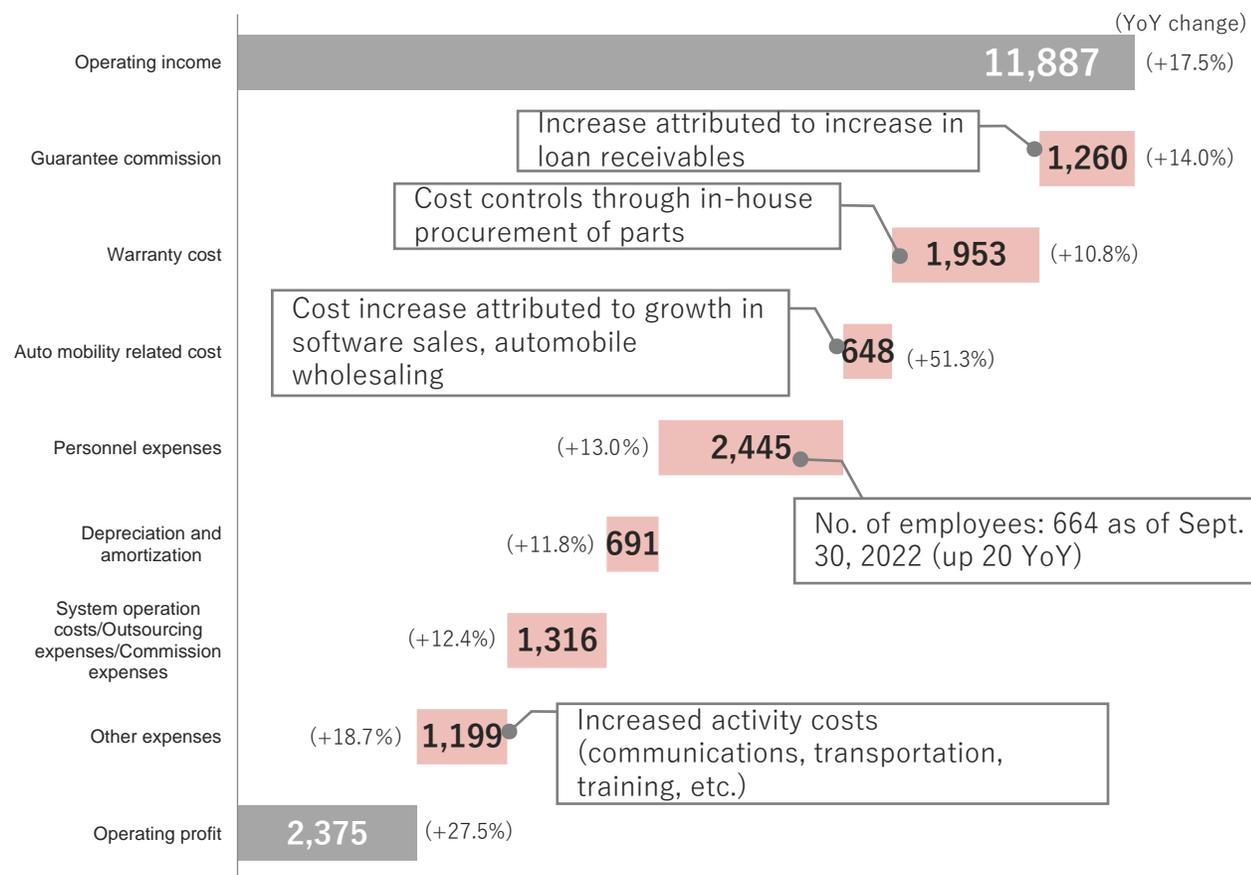
Operating Expenses (Breakdown)

■ Lower growth in operating expenses versus growth in operating income

FY22 1H Operating expenses
¥8,258 million



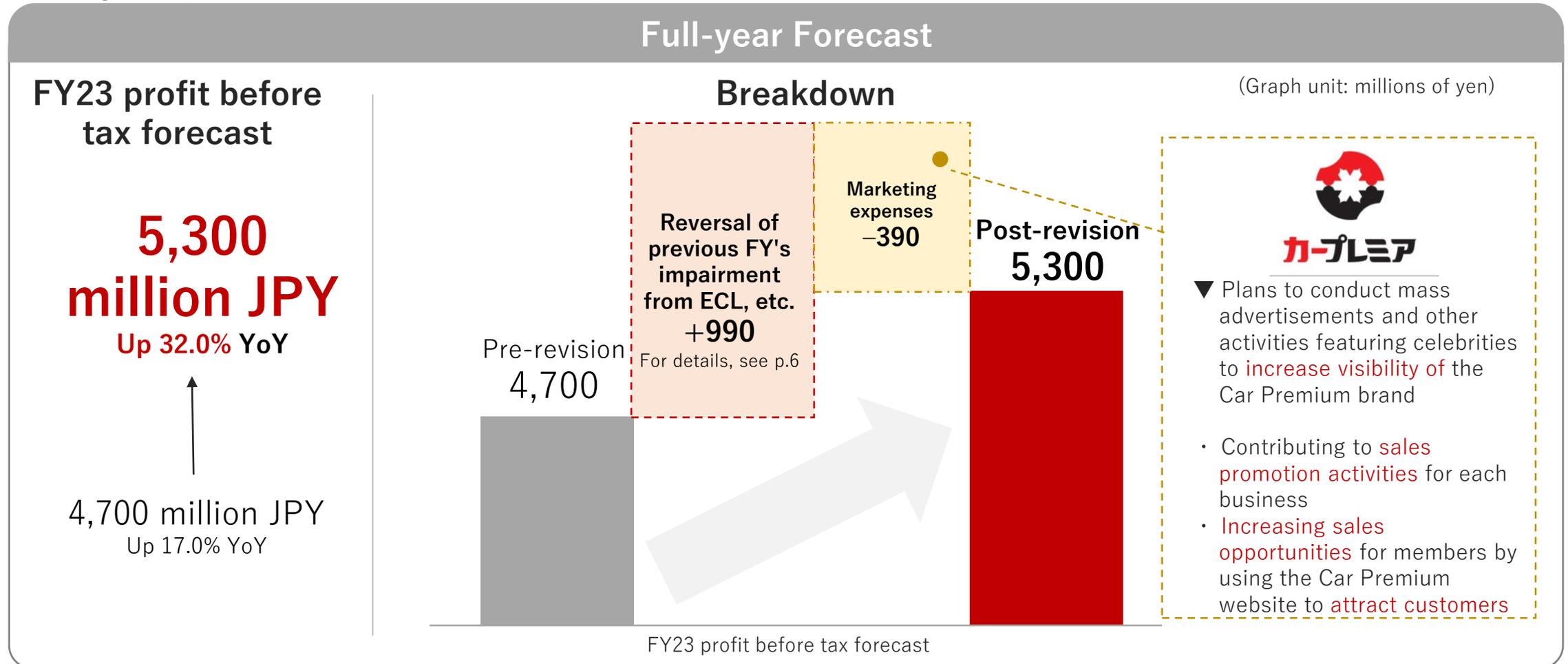
FY23 1H Operating expenses
¥9,512 million (up 15.2% YoY)



Notes: 1. Operating income and operating expenses for the previous fiscal year have been partially reclassified due to a change in presentation methods.
2. Since it is a preliminary value, we will promptly notify you on our website when any corrections or changes occur.

About the Upward Revision to Full-Year Forecast

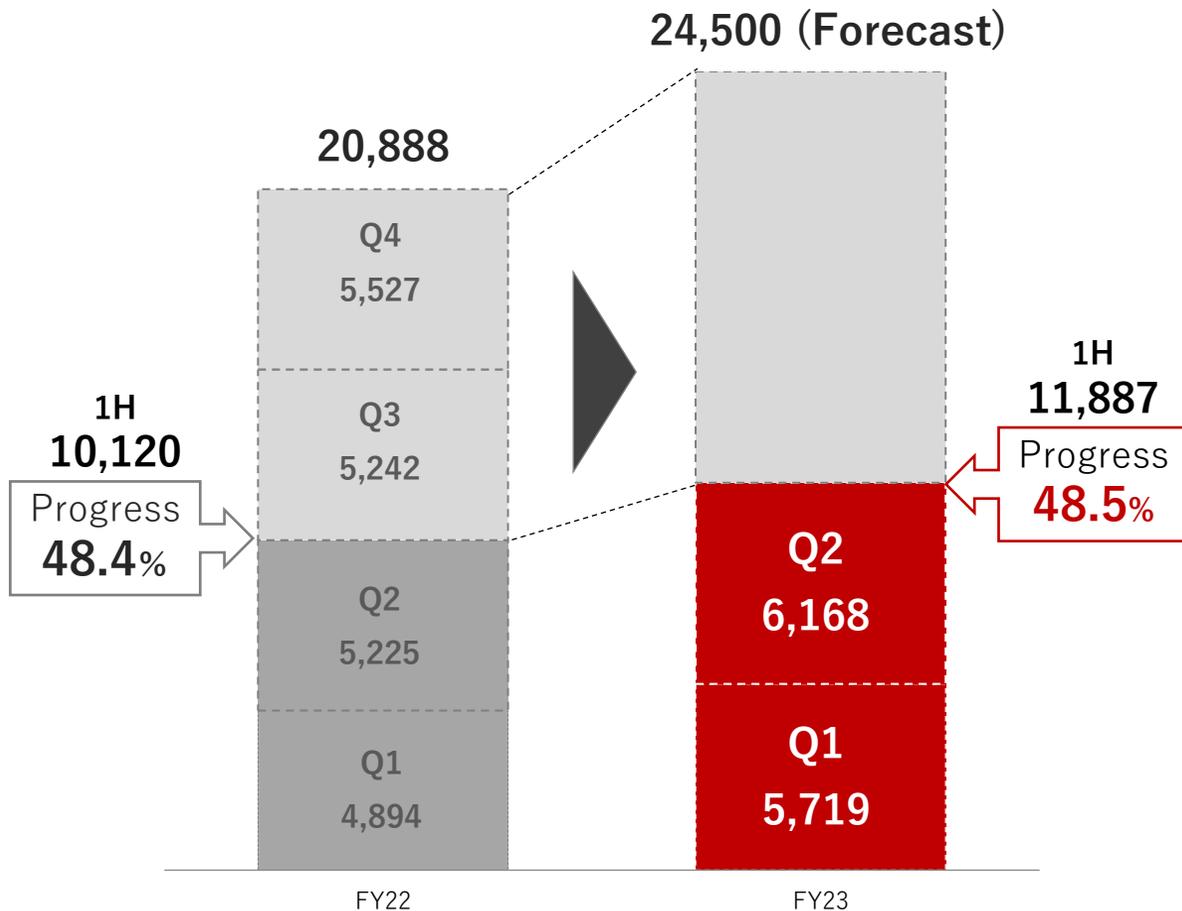
- **Reversal** of last year's **impairment loss on our Thai affiliate (ECL)** results in **990 million JPY** in profit before taxes
- Spent **390 million JPY in marketing expenses** as strategic investment for Car Premium
- Full-year profit before tax **revised upward to 5.3 billion JPY**



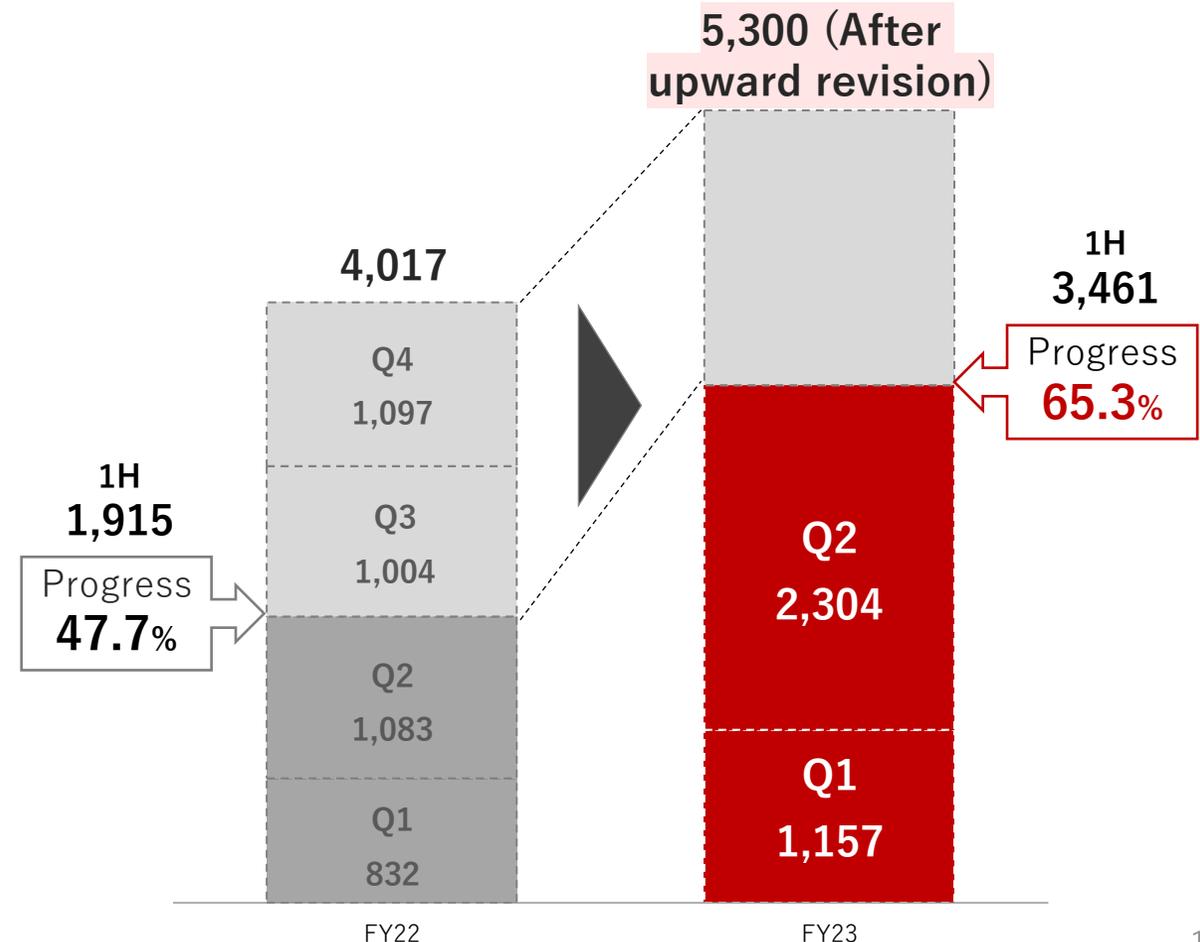
Full-Year Performance Outlook

- Steady progress also against upwardly revised full-year forecasts
Quarterly performance is to increase gradually from the further accumulation of loan receivables

Operating income



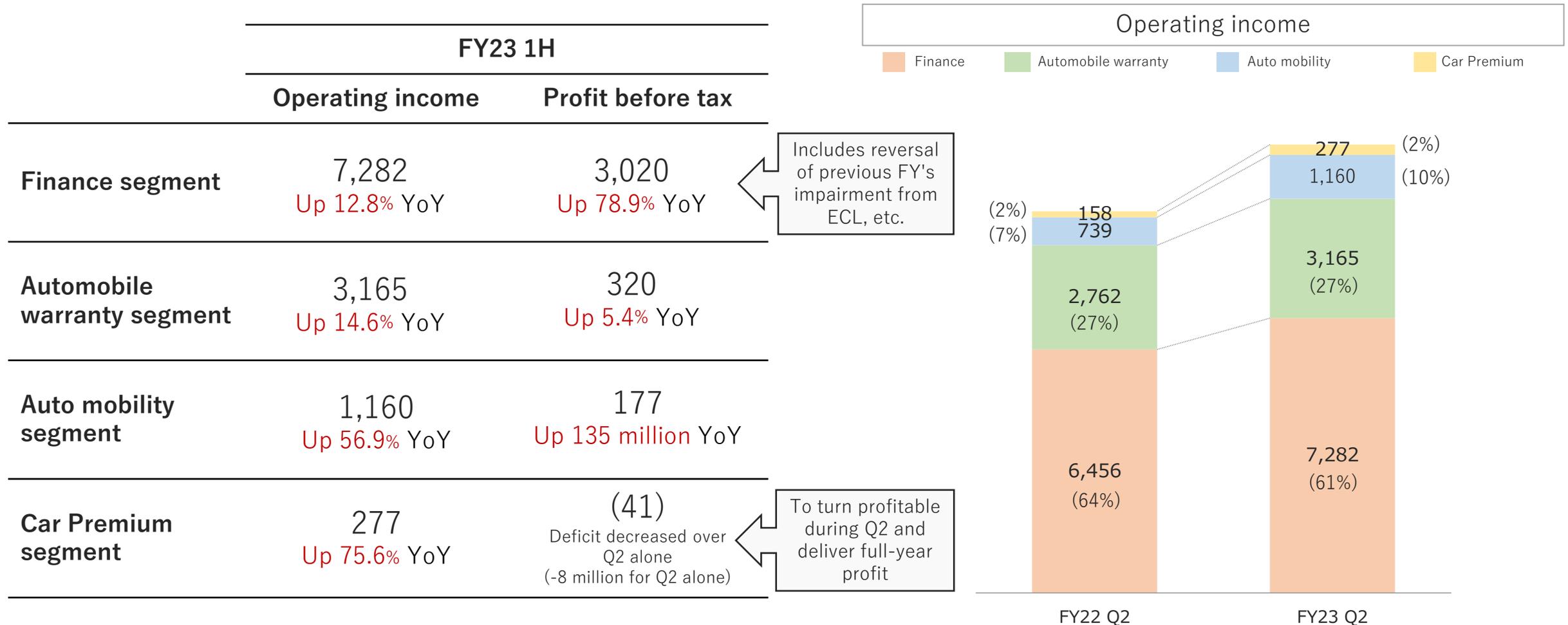
Profit before tax



Note: Operating income and operating expenses for the previous fiscal year have been partially reclassified due to a change in presentation methods.

Performance by Segment

- Each segment steadily setting **new record highs for operating income**
- **Auto mobility segment providing greater share of operating income**



Note: Segment classification was changed from FY23. Profits and losses for each segment in FY22 is reflected only to the extent practicable.



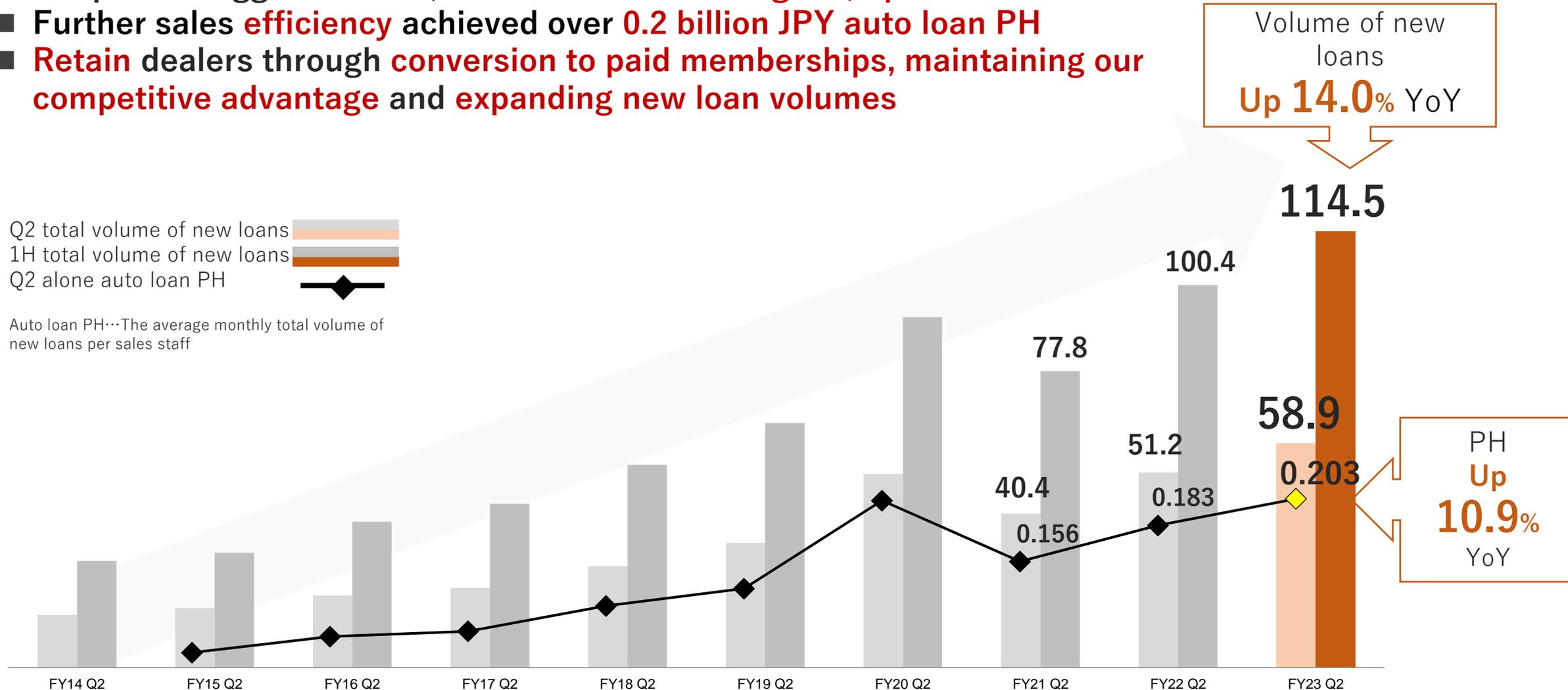
2. Finance Segment

(Graph unit: billions of yen, %)

- Despite a sluggish market, **volume of new loans grew, up 14.0% YoY**
- Further sales **efficiency** achieved over **0.2 billion JPY auto loan PH**
- **Retain dealers through conversion to paid memberships, maintaining our competitive advantage and expanding new loan volumes**

Q2 total volume of new loans
 1H total volume of new loans
 Q2 alone auto loan PH

Auto loan PH...The average monthly total volume of new loans per sales staff

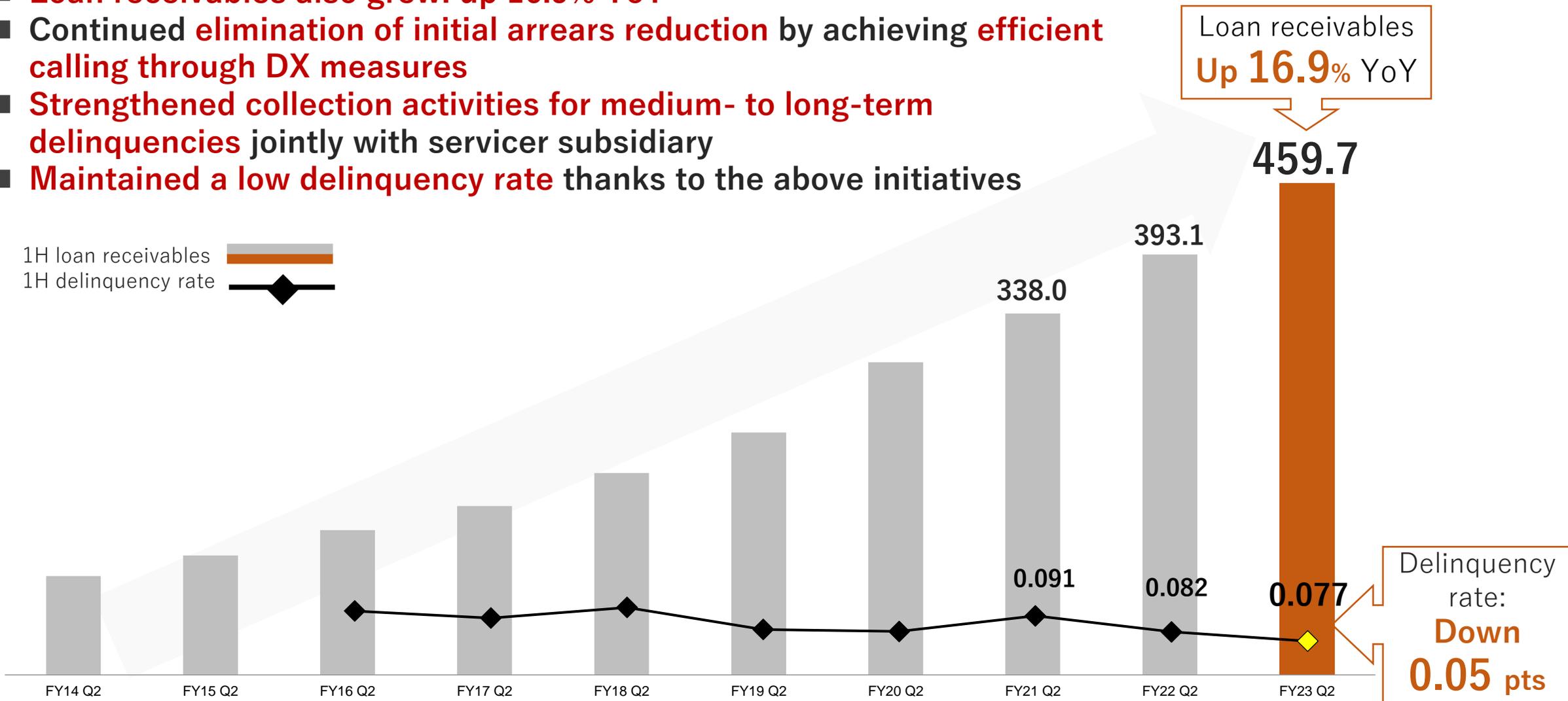


Notes: 1. "Total volume of new loans" refers to the total amount of credit and lease contracts newly signed in the period. The figures are inclusive of the total volume of new loans of products other than automotive credit financing (Ecology Credit, etc.), and are the actual results of Premium Co., Ltd.

2. "PH" stands for "Per Head," which refers to the average monthly total volume of new loans or warranties per sales staff. The monthly total volume of new loans refers to the total of the amount of credit contracts newly signed in a month. The amount of credit contracts refers to the total amount of the balance of charges for the product and the split commission. Furthermore, PH represents the actual results of Premium Co., Ltd.

(Graph unit: billions of yen, %)

- **Loan receivables also grew. up 16.9% YoY**
- **Continued elimination of initial arrears reduction by achieving efficient calling through DX measures**
- **Strengthened collection activities for medium- to long-term delinquencies jointly with servicer subsidiary**
- **Maintained a low delinquency rate thanks to the above initiatives**



Notes: 1. "Loan receivables" refers to the total amount of credit and lease contracts that has not been repaid or for which the warranty period has not elapsed from the end of the period. The figures are inclusive of the receivables balance of products other than automotive credit financing (Ecology Credit, etc.), and are the actual results of Premium Co., Ltd.
 2. "Delinquency rate" refers to the total amount of receivables that are more than 3 months in arrears and special loan receivables (with judicial intervention), expressed as a percentage of the loan and lease receivables at the end of the period.

- Working to **promote utilization and increase share** among existing network stores while continuing to develop new network stores
- No plan to significantly increase sales staff in FY2023
Aiming to increase the volume of new loans by **establishing mechanisms and making sales activities more efficient**

Number of network stores

Up 7.3% YoY

26,548

- Continuing to develop new network stores
- Striving to **promote utilization and expand share**

Number of sales staff

Up 4 YoY

98

- Growing volume of new loans by **converting to paid memberships and establishing mechanisms in the platform concept**

Paperless introduction rate

Up 14.5 pts YoY

93.4%

- Achieving **more efficient sales activities** through ongoing efforts to promote going paperless

AI credit screening introduction rate

Up 20.1 pts YoY

37.5%

- Increasing screening **accuracy** and **increasing** cases where AI credit screening is applicable

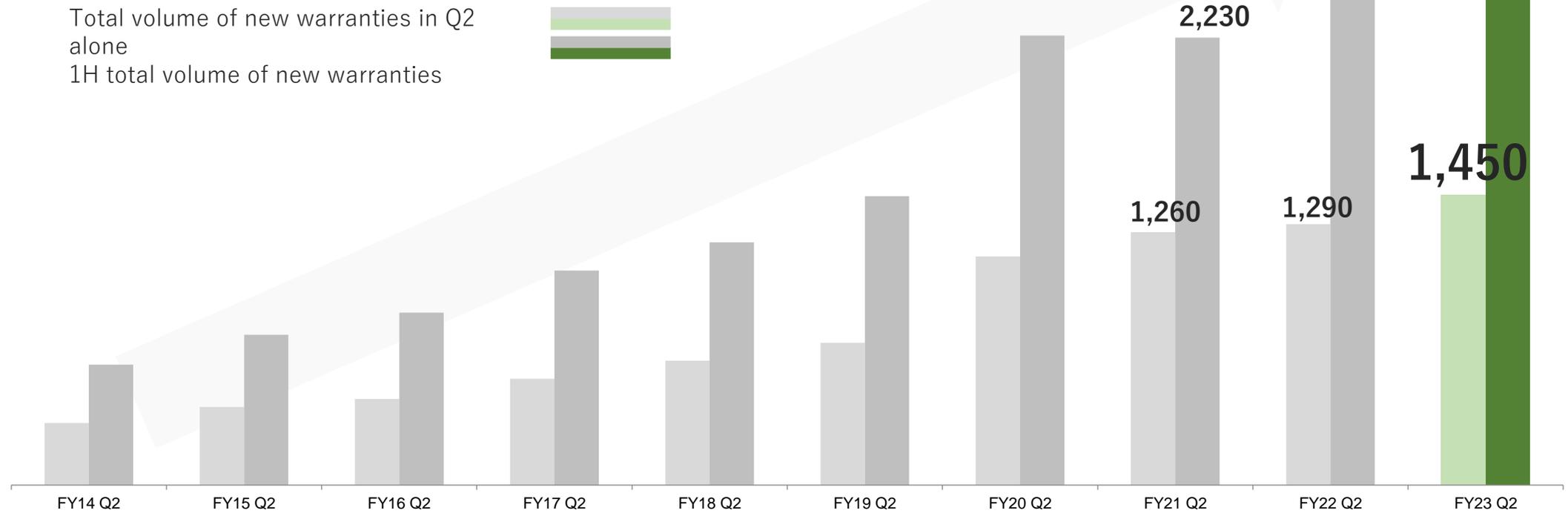


3. Automobile Warranty Segment

- Despite a sluggish market, **the total volume of new warranties was up 13.5% YoY**
- **Volume for products developed in-house continues growth, up 27.3% YoY**
- **Expanded new clients, aiming to increase volume**

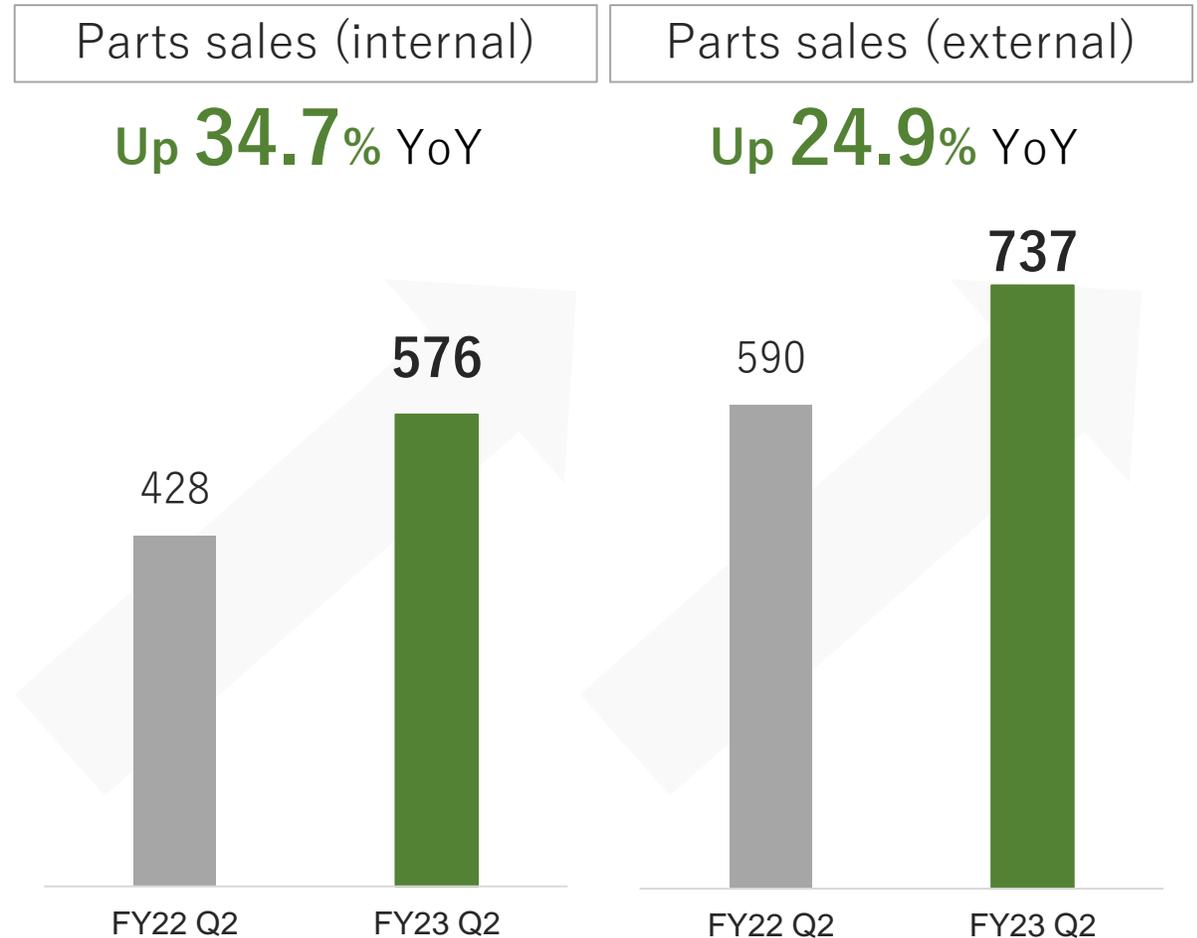
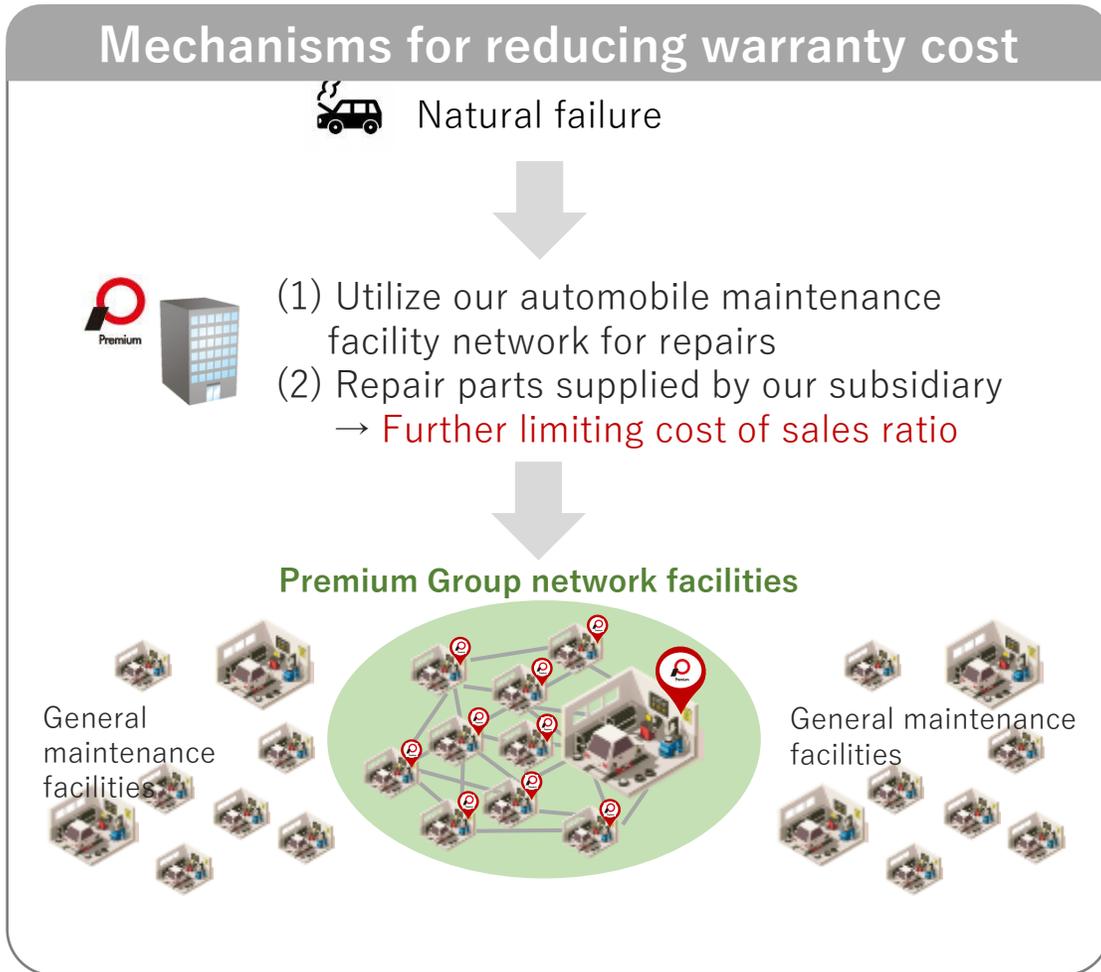
Product volume
Up 13.5% YoY

Products developed in-house
Up 27.3% YoY



Notes: 1. "Total volume of new warranties" refers to the total amount of warranty contracts newly signed in the period.
2. The aggregation criteria for volume of certain products were reviewed in Q3 of FY2022. Figures presented here were calculated using the new criteria.

- **Expanded lineup of parts handled and increased** parts provided for warranty repair (internal parts sales) and encouraged use of our automobile maintenance facility network, **reducing cost of sales ratio**
- Continued **growth** in parts sales outside of inter-Group transactions (outside parts sales)



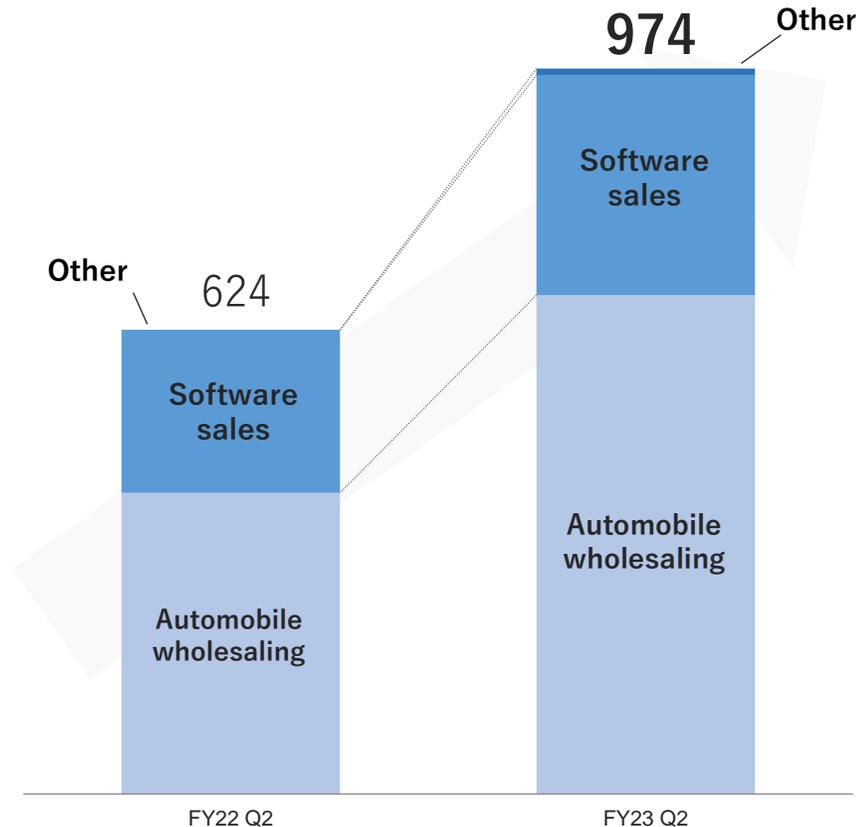


4. Auto Mobility Segment

- Focused on **developing services for Car Premium Club and creating new businesses**
- Launched full-scale software sales to **Premium network stores, contributing to increasing sales**

Auto mobility segment sales

Up **56.2%** YoY



Software sales

Up **35.6%** YoY

- Made Premium SoftPlanner Co., Ltd. a wholly owned subsidiary, **fostering an organizational culture with a greater sense of unity**
- **Expanded sales targets by strengthening relationships** with finance sales

Automobile wholesaling

Up **65.7%** YoY

- Due to increasing repossession rate of vehicles, Group-internal **distribution volume grew** and **sales expanded**
- **Launched vehicle buybacks** through the Car Premium website

Note: Auto mobility sales are presented as a breakdown of auto-mobility related sales within operating income.



5. Car Premium Segment

- **Steady progress in building** Car Premium Club, a paid membership organization for car dealers and maintenance facilities
- Car Premium dealer acquisitions by the end of FY2023 **upwardly revised to 2,500 companies**
- Aim to **further increase membership expansion and membership fee revenue** by reinforcing services

Car Premium Dealer

Up **1,249** YoY

2,004

Diamond Members
89 (up 4 YoY)
Gold Members
1,915 (up 1,245 YoY)

755

FY22 Q2

FY23 Q2

Car Premium Garage

Up **806** YoY

907

Diamond Members
36 (down 11 YoY)
Gold Members
194 (up 140 YoY)
Silver Members
677 (up 677 YoY)

101

FY22 Q2

FY23 Q2



6. Appendix

Name	Premium Group Co., Ltd.
Securities Code / Exchange	7199 / Prime Market of Tokyo Stock Exchange
Established	May 25, 2015 Note: 2007 Established Premium Co., Ltd. (Former name: G-ONE Credit Services Co., Ltd.)
Head Office	The Okura Prestige Tower, 2-10-4 Toranomom, Minato-ku, Tokyo
President and Representative Director	Yohichi Shibata
Number of Issued Shares	40,184,970 (As of September 30, 2022)
Capital	¥1,668 million (non-consolidated: as of September 30, 2022)
Number of Employees	664 (consolidated; as of September 30, 2022) Note: Number of persons employed by the Group excluding temporary workers
Main Shareholders	<ul style="list-style-type: none"> • Nomura Securities Co., Ltd. (Nomura Asset Management Co., Ltd. and Nomura International PLC): 9.65% • Coupland Cardiff Asset Management: 6.99% • BNY Mellon Investment Management Japan Limited: 4.95% • Sumitomo Mitsui Trust Asset Management Co., Ltd. and Nikko Asset management Co.,Ltd.: 4.13% (As of September 29, 2022; referencing the report on changes in large volume holdings, etc.)
Description of Business	<ul style="list-style-type: none"> • Finance • Automobile warranty • Auto mobility • Car Premium (Building a membership organization of auto dealers and garages) • Finance, automobile warranty, auto mobility overseas (Thailand, Indonesia, the Philippines)

Premium Group is an **auto mobility company** offering customers a vibrant car life alongside our network of car dealers and garages.

Main Business

Finance

▷ **Main business**

- Auto credit
- Ecology credit
- Shopping credit
- Collection Agency

▷ **Main business connection**

- Used car dealer

Auto Mobility

▷ **Main business**

- Sales of software
- Wholesale of automobiles
- Auto lease

▷ **Main business connection**

- Garage

Automobile Warranty

▷ **Main business**

- Automobile warranty
- Overseas expansion of automobile warranty (Thailand, Indonesia, Philippines)
- Sales of used parts to domestic and overseas

▷ **Main business connection**

- Used car dealer, garage

Car Premium

▷ **Main business**

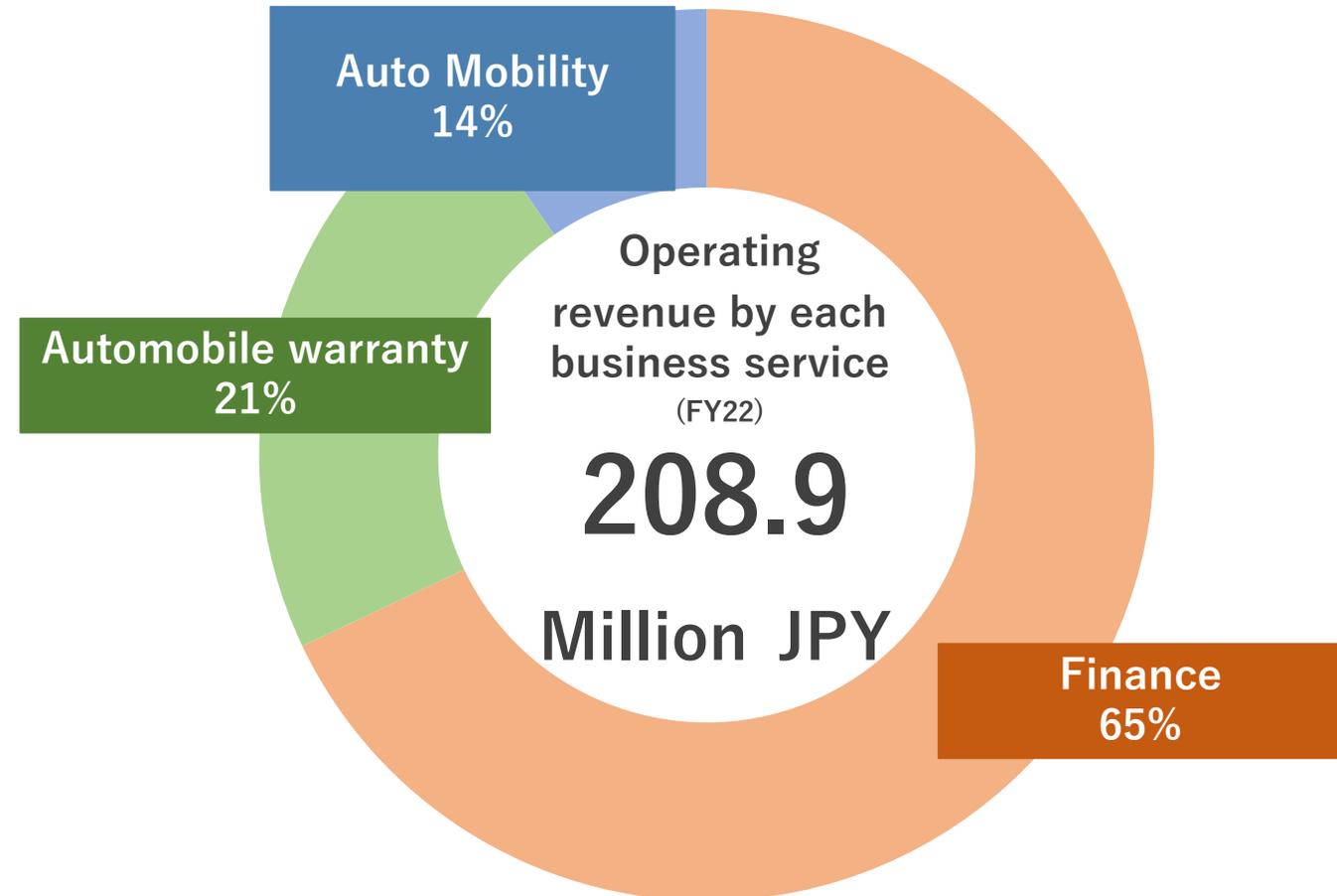
- Building a membership organization
- Operating in-house garages

▷ **Main business connection**

- Used car dealer, garage

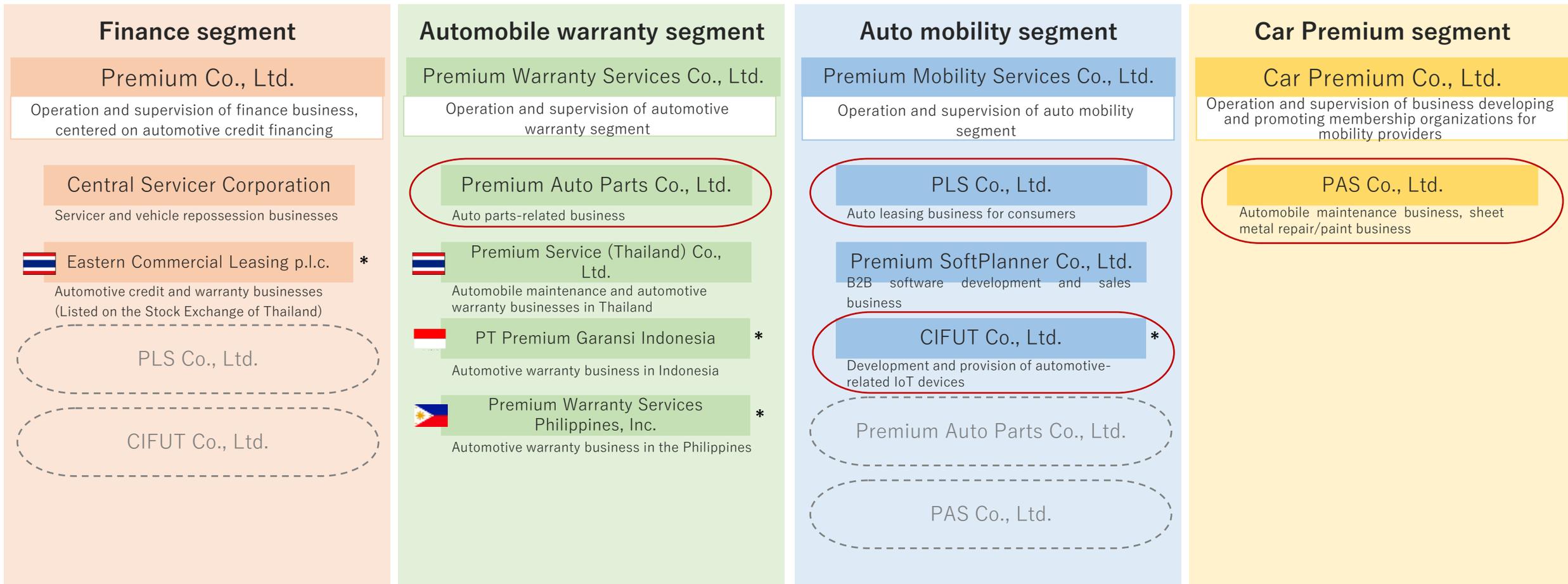
Launched on April 1, 2022

Diversified Business Portfolio as an Independent Company



Segment Reorganization

Reclassified reporting segments due to the rising importance of the Car Premium Club, the generation of greater Group synergy, and expanding our business



Note: *** indicates an affiliate.

In approximately one year from formulating our DX strategy, we **built our DX initiative platform** and became **a Noteworthy DX Company 2022** and **a DX Certified Business Operator**
Seeking to **realize our concept as a platform provider** of connecting end-users and mobility providers

Achieving our DX Vision

June 2022

Selected as a **Noteworthy DX Company 2022** by the Ministry of Economy, Trade and Industry

April 2022

Updated the **P-Gate** portal site for network stores

May 2022

Certified as a **DX Certified Business Operator** by the Ministry of Economy, Trade and Industry

May 2021

Formulated **DX strategy**

DX for end-users

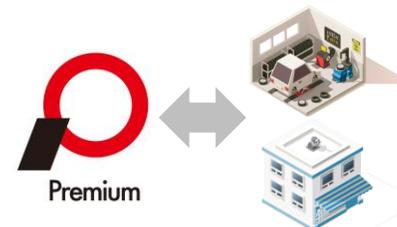


Website for individual customers launches on July 22, 2022

▼ This site offers:

- Options to get the best out of our customers' cars using our wide range of services
- Extensive after-sales support

DX for auto mobility providers



Login rates for mobility provider portal sites:

As of September 30, 2022

- All network stores: 89.2%
- Car Premium Dealer: 99.5%

→ Functions as a tool for communication with dealers

(Millions of yen)

	FY22 (As of March 31, 2022)	Q1.FY23 (As of June 30, 2022)	Q2.FY23 (As of September 30, 2022)	Compared to the end of the previous fiscal	QoQ
Assets					
Cash and cash equivalents	11,433	10,040	11,796	+3.2%	+17.5%
Financing receivables	35,733	37,314	39,301	+10.0%	+5.3%
Other financial assets	5,786	6,114	6,306	+9.0%	+3.1%
Property, plant and equipment	3,648	3,415	3,439	△5.7%	+0.7%
Intangible assets	6,279	6,678	7,108	+13.2%	+6.4%
Goodwill	3,958	3,958	3,958	+0.0%	+0.0%
Investments accounted for using equity method	1,600	1,647	2,497	+56.1%	+51.6%
Deferred tax assets	3	3	4	+13.7%	+7.5%
Insurance assets	3,284	3,814	3,776	+15.0%	△1.0%
Other assets	10,075	9,631	9,293	△7.8%	△3.5%
Total assets	81,800	82,616	87,477	+6.9%	+5.9%
Liabilities					
Financial guarantee contracts	30,065	31,718	33,342	+10.9%	+5.1%
Borrowings	23,759	23,396	23,236	△2.2%	△0.7%
Other financial liabilities	7,248	6,841	7,352	+1.4%	+7.5%
Provisions	366	341	373	+1.9%	+9.5%
Income taxes payable	720	192	607	△15.8%	+215.4%
Deferred tax liabilities	1,238	1,371	1,453	+17.4%	+6.0%
Other liabilities	8,590	8,343	8,860	+3.1%	+6.2%
Total liabilities	71,987	72,203	75,223	+4.5%	+4.2%
Equity					
Equity attributable to owners of parent					
Share capital	1,700	1,700	1,700	+0.0%	+0.0%
Capital surplus	1,295	1,347	1,359	+4.9%	+0.9%
Retained earnings	7,722	8,228	10,029	+29.9%	+21.9%
Treasury shares	△ 1,201	△ 1,150	△ 1,129	△ 6.0%	△ 1.8%
Other components of equity	194	259	268	+38.6%	+3.5%
Total equity attributable to owners of parent	9,710	10,385	12,228	+25.9%	+17.7%
Non-controlling interests	103	28	27	△74.3%	△6.3%
Total equity	9,814	10,413	12,254	+24.9%	+17.7%
Total liabilities and equity	81,800	82,616	87,477	+6.9%	+5.9%

Note: A portion of other financial assets in FY22 Q1 was reclassified to financial receivables.

P/L (Consolidated cumulative period)



(Millions of yen)

(April 1 - September 30)	Q1-Q2.FY22 (April 1, 2021 - September 30, 2021)	FY22 (April 1, 2021 - March 30, 2022)	Q1-Q2.FY23 (April 1, 2022 - September 30, 2022)	YoY	Compared to the and of previous fiscal year
Operating income	10,120	20,888	11,887	+17.5%	△43.1%
Operating expenses	8,258	17,024	9,512	+15.2%	△44.1%
Operating profit	1,862	3,864	2,375	+27.5%	△38.5%
Share of profit of investments accounted for using equity methc	78	213	999	+1188.2%	+369.2%
Other finance income	1	3	123	+9073.3%	+4214.5%
Other finance costs	26	63	35	+38.2%	△44.0%
Profit (loss) before tax	1,915	4,017	3,461	+80.7%	△13.8%
Income tax expense	551	1,053	816	+48.2%	△22.5%
Profit (loss)	1,365	2,964	2,645	+93.9%	△10.8%
Profit (loss) attributable to:					
Owners of parent	1,358	2,941	2,641	+94.5%	△10.2%
Non-controlling interests	6	23	4	△39.9%	△83.0%

P/L (Operating income/Operating expenses)

(April 1 - September 30)	Q1-Q2.FY22 (April 1, 2021 - September 30, 2021)	FY22 (April 1, 2021 - March 30, 2022)	Q1-Q2.FY23 (April 1, 2022 - September 30, 2022)	YoY	Compared to the and of previous fiscal year
Operating income					
Finance income	5,095	10,615	6,042	+18.6%	△43.1%
Impairment gain on financial assets	302	435	172	△42.8%	△60.4%
Warranty revenue	2,757	5,595	3,126	+13.4%	△44.1%
Other commission sales	1,063	2,099	1,102	+3.7%	△47.5%
Automobility-related sales	624	1,482	974	+56.2%	△34.2%
Revenue from the exercise of insurance policies	109	224	121	+10.9%	-
Other	171	438	349	+104.8%	△20.3%
Total	10,120	20,888	11,887	+17.5%	△43.1%

(April 1 - September 30)	Q1-Q2.FY22 (April 1, 2021 - September 30, 2021)	FY22 (April 1, 2021 - March 30, 2022)	Q1-Q2.FY23 (April 1, 2022 - September 30, 2022)	YoY	Compared to the and of previous fiscal year
Operating expenses					
Finance costs	76	149	93	+22.7%	△37.9%
Guarantee commission	1,105	2,282	1,260	+14.0%	△44.8%
Employee benefit expenses	2,163	4,591	2,345	+8.4%	△48.9%
Warranty cost	1,762	3,407	1,953	+10.8%	△42.7%
Automobility-related costs	429	995	648	+51.3%	△34.9%
System operation costs	417	801	394	△5.6%	△50.9%
Depreciation	618	1,294	691	+11.8%	△46.7%
Taxes and dues	342	686	407	+18.9%	△40.7%
Commission expenses	465	959	576	+23.8%	△40.0%
Rent expenses on land and buildings	25	47	28	+13.0%	△40.4%
Outsourcing expenses	288	577	347	+20.2%	△39.9%
Other operating expenses	567	1,233	771	+35.9%	△37.5%
Total	8,258	17,024	9,512	+15.2%	△44.1%

P/L (Consolidated cumulative period)



(Millions of yen)

(July 1 - September 30)	Q2.FY22 (July 1, 2021- September 30, 2021)	Q1.FY23 (April 1, 2022 - June 31, 2022)	Q2.FY23 (July 1, 2022 - September 30, 2022)	YoY	QoQ
Operating income	5,225	5,719	6,168	+18.0%	+7.9%
Operating expenses	4,157	4,616	4,896	+17.8%	+6.1%
Operating profit	1,068	1,103	1,272	+19.1%	+15.4%
Share of profit of investments accounted for using equity methc	15	63	936	+6244.3%	+1381.1%
Other finance income	1	1	122	+17062.6%	+16296.7%
Other finance costs	0	9	26	+5864.4%	+175.2%
Profit (loss) before tax	1,083	1,157	2,304	+112.8%	+99.1%
Income tax expense	326	312	504	+54.3%	+61.2%
Profit (loss)	757	845	1,801	+138.0%	+113.2%
Profit (loss) attributable to:					
Owners of parent	751	841	1,801	+140.0%	+114.3%
Non-controlling interests	6	4	△ 0	△104.7%	△106.9%

P/L (Operating income/Operating expenses)



(Millions of yen)

(July 1 - September 30)	Q2.FY22 (July 1, 2021- September 30, 2021)	Q1.FY23 (April 1, 2022 - June 31, 2022)	Q2.FY23 (July 1, 2022 - September 30, 2022)	YoY	QoQ
Operating income					
Finance income	2,589	2,962	3,080	+19.0%	+4.0%
Impairment gain on financial assets	158	55	117	△25.6%	+113.2%
Warranty revenue	1,401	1,532	1,594	+13.8%	+4.1%
Other commission sales	533	543	559	+4.9%	+2.9%
Automobility-related sales	344	443	531	+54.5%	+20.0%
Revenue from the exercise of insurance policies	109	-	121	+10.9%	-
Other	92	184	165	+79.5%	△10.0%
Total	5,225	5,719	6,168	+18.0%	+7.9%
Operating expenses					
Finance costs	37	47	46	+24.7%	△0.8%
Guarantee commission	563	617	643	+14.1%	+4.1%
Employee benefit expenses	1,040	1,120	1,225	+17.8%	+9.4%
Warranty cost	936	911	1,042	+11.3%	+14.3%
Automobility-related costs	221	305	343	+54.9%	+12.3%
System operation costs	204	199	195	△4.8%	△2.1%
Depreciation	309	350	340	+10.1%	△2.9%
Taxes and dues	169	218	189	+12.2%	△13.2%
Commission expenses	215	275	301	+39.8%	+9.5%
Rent expenses on land and buildings	12	14	14	+16.3%	△1.4%
Outsourcing expenses	151	170	177	+17.2%	+3.8%
Other operating expenses	299	390	381	+27.3%	△2.2%
Total	4,157	4,616	4,896	+17.8%	+6.1%



カ-プリア

IR information in this material is for providing financial data and economic condition of Premium Group Co., Ltd. (Hereinafter "Company"). However, this information should not announce and guarantee its contents. Statements contained herein that relate to the future operating performance and strategy of the Company are forward looking statements. Forward looking statements are based on judgments made by the Company's management based on information that is available to it as of the date those statements were made. Forward looking statements involve inherent known and unknown risks, uncertainties and contingencies. Many of these risks and uncertainties relate to factors such as future market conditions, currency fluctuations, the behavior of other market participants, the exchange rate, tax system and so on. Therefore, it is possible that business performance will be change and the Company is not responsible for loss resulted from this change. The Company puts information in this material with meticulous care. However, the Company is not responsible for any information errors, manipulations by outsider computer system errors, and so on. Copyrighted materials in this are under copyright protection. It is prohibited to reproduce, reorganize, translate, distribute or exhibit this material. This material is not for the purpose of investment invitation. Any investment decision with respect to the shares of common stock of the Company should not be based on this material fully but be made solely.