



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

August 6, 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: August 13, 2021 Scheduled date of commencement of dividend payment: –

Preparation of supplementary material for quarterly financial results: Yes

Holding of quarterly financial results meeting: No

(Amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022 (April 1, 2021 to June 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	%
First quarter of fiscal year ending March 31, 2022	4,891	21.6	832	(29.4)	608	(21.9)	608	(22.5)	584	(28.7)
First quarter of fiscal year ended March 31, 2021	4,022	27.7	1,180	(50.1)	779	(49.6)	784	(49.3)	820	(47.1)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First quarter of fiscal year ending March 31, 2022	47.45	46.87
First quarter of fiscal year ended March 31, 2021	61.46	60.57

(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	%
First quarter of fiscal year ending March 31, 2022	68,314	7,596	7,515	11.0
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	-				
Fiscal year ending March 31, 2022 (forecast)		25.00	-	25.00	50.00

Note: Revisions to dividends forecast most recently announced: Yes

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 for full-year figures; % change from the same period of the previous fiscal year for quarterly figures)

	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)	First quarter of fiscal year ending March 31, 2022	13,334,390 shares	Fiscal year ended March 31, 2021	13,334,390 shares
2) Number of treasury shares at end of period	First quarter of fiscal year ending March 31, 2022	528,593 shares	Fiscal year ended March 31, 2021	528,293 shares
3) Average number of shares during period (fiscal year to date)	First quarter of fiscal year ending March 31, 2022	12,806,094 shares	First quarter of fiscal year ended March 31, 2021	12,748,778 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 and quarterly securities report released today.

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

(unit: million yen)

	Previous consolidated fiscal year (March 31, 2021)	First quarter of this consolidated fiscal year (June 30, 2021)
Assets		
Cash and cash equivalents	8,054	6,962
Financial receivables	23,394	23,842
Other financial assets	9,829	11,027
Property, plant, and equipment	3,644	3,613
Intangible assets	5,768	5,742
Goodwill	3,958	3,958
Investments accounted for using equity method	1,434	1,348
Deferred tax assets	2	2
Insurance assets	3,111	3,589
Other assets	8,961	8,231
Total assets	68,156	68,314
Liabilities		
Financial guarantee contracts	25,079	26,239
Borrowings	19,641	19,357
Other financial liabilities	6,703	6,111
Provisions	302	310
Income taxes payable	648	170
Deferred tax liabilities	1,404	1,438
Other liabilities	7,087	7,093
Total liabilities	60,865	60,718
Equity		
Equity attributable to owners of parent		
Capital	1,612	1,627
Share premium	1,281	1,287
Treasury shares	(1,201)	(1,201)
Retained earnings	5,403	5,709
Other components of equity	116	93
Total equity attributable to owners of parent	7,211	7,515
Non-controlling interests	79	80
Total equity	7,291	7,596
Total liabilities and equity	68,156	68,314

(2) Summary Quarterly Consolidated Statement of Profit and Loss

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2020 to June 30, 2020)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2021 to June 30, 2021)
Operating income	4,022	4,891
Other finance income	38	1
Share of profit of investments accounted for using equity method	13	63
Other income	613	4
Total income	4,686	4,958
Operating expense	3,484	4,085
Other finance cost	19	24
Other expense	3	16
Total expense	3,506	4,125
Profit for the term before tax	1,180	832
Income tax expense	401	224
Profit for the term	779	608
Attributable to		
Owners of parent	784	608
Non-controlling interests	(5)	0
Profit	779	608
Attributable to owners of parent		
Earnings per share		
Basic earnings per share (yen)	61.46	47.45
Diluted earnings per share (yen)	60.57	46.87

(3) Summary Quarterly Consolidated Statement of Comprehensive Income

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2020 to June 30, 2020)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2021 to June 30, 2021)
Profit for the term	779	608
Other comprehensive income		
Items that may be reclassified to net profit or loss		
Exchange differences on translation of foreign operations	(0)	1
Share of other comprehensive income of investments accounted for using equity method	41	(25)
Other comprehensive income (net of tax)	41	(24)
Comprehensive income	820	584
Attributable to:		
Owners of parent	825	583
Non-controlling interests	(5)	1
Comprehensive income	820	584

(4) Summary Quarterly Consolidated Statement of Changes in Equity

(unit: million 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	-	-	-	784	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	784	-
Transactions with owners, etc.					
Purchase of treasury shares	-	-	(0)	-	-
Dividends	-	-	-	(280)	-
Share-based payment transactions	15	7	-	-	1
Total transactions with owners, etc.	15	7	(0)	(280)	1
Balance as of June 30, 2020	1,549	1,266	(1,201)	4,090	11

(unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Other comprehensive income accounted for using the equity method	Exchange differences on translation of foreign operations	Total			
Balance as of April 1, 2020	53	(1)	62	5,242	70	5,312
Comprehensive income						
Profit	-	-	-	784	(5)	779
Other comprehensive income	41	0	41	41	(0)	41
Total comprehensive income	41	0	41	825	(5)	820
Transactions with owners, etc.						
Purchase of treasury shares	-	-	-	(0)	-	(0)
Dividends	-	-	-	(280)	-	(280)
Share-based payment transactions	-	-	1	23	-	23
Total transactions with owners, etc.	-	-	1	(258)	-	(258)
Balance as of June 30, 2020	95	(1)	104	5,810	65	5,874

(unit: million 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	-	-	-	608	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	608	-
Transactions with owners, etc.					
Purchase of treasury shares	-	-	(0)	-	-
Dividends	-	-	-	(301)	-
Share-based payment transactions	15	6	-	-	0
Total transactions with owners, etc.	15	6	(0)	(301)	0
Balance as of June 30, 2021	1,627	1,287	(1,201)	5,709	10

(unit: million yen)

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Other comprehensive income accounted for using the 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	-	-	-	608	0	608
Other comprehensive income	(25)	1	(24)	(24)	0	(24)
Total comprehensive income	(25)	1	(24)	583	1	584
Transactions with owners, etc.						
Purchase of treasury shares	-	-	-	(0)	-	(0)
Dividends	-	-	-	(301)	-	(301)
Share-based payment transactions	-	-	0	22	-	22
Total transactions with owners, etc.	-	-	0	(279)	-	(279)
Balance as of June 30, 2021	83	(1)	93	7,515	80	7,596

(5) Summary Quarterly Consolidated Statement of Cash Flows

(unit: million yen)

	Cumulative first quarter of the previous consolidated fiscal year (From April 1, 2020 to June 30, 2020)	Cumulative first quarter of this consolidated fiscal year (From April 1, 2021 to June 30, 2021)
Cash flow from operating activities		
Profit for the term before tax	1,180	832
Depreciation and amortization expense	315	309
Other finance income and finance costs	19	47
Decrease (increase) in financial receivables	(577)	(470)
Increase (decrease) in financial guarantee contracts	471	1,160
Decrease (increase) in other financial assets	(937)	(1,166)
Increase (decrease) in other financial liabilities	(392)	(568)
Decrease (increase) in other assets	2,112	244
Increase (decrease) in other liabilities	(74)	1
Share of loss (profit) of investments accounted for using equity method	(13)	(63)
Other	(721)	30
Subtotal	1,382	357
Interest received	1	0
Interest paid	(41)	(38)
Dividends received	-	98
Income taxes paid	(337)	(654)
Cash flow from (used in) operating activities	1,005	(236)
Cash flow from investing activities		
Purchase of investment securities	(0)	(0)
Purchase of property, plant, and equipment	(531)	(38)
Purchase of intangible assets	(122)	(36)
Payments for loans receivable	(15)	(2)
Collection of loans receivable	4	4
Payments for guarantee deposits	(30)	(49)
Proceeds from collection of guarantee deposits	134	37
Cash flow from acquisition of subsidiary (After deducting proceeds in cash upon acquisition)	(94)	-
Other	-	1
Cash flow from (used in) investing activities	(654)	(84)
Cash flow from financing activities		
Proceeds from short-term loans	11,424	4,000
Repayments of short-term loans	(7,406)	(4,000)
Proceeds from long-term loans	1,488	1,340
Repayments of long-term loans	(1,458)	(1,636)
Repayments of lease obligations	(198)	(196)
Payments for purchase of treasury shares	(0)	(0)
Dividends paid	(278)	(299)
Other	25	20
Cash flow from financing activities	3,598	(771)
Net increase (decrease) in cash and cash equivalents	3,949	(1,091)
Cash and cash equivalents at beginning of period	6,286	8,054
Effect of exchange rate changes on cash and cash equivalents	1	(1)
Cash and cash equivalents at end of period	10,236	6,962

(6) Notes on 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 reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information can be obtained. They are subject to periodic review by the Board of Directors for the purposes of informing evaluating business performance and decision-making on management resource allocation.

Through the previous consolidated fiscal year, the Group operated with the single reportable segment of Credit-related Businesses. This year, in response to revenue growth in businesses unrelated to credit, it launched an approach to management by business segment, including managing business performance based on reports to the Company Board of Directors for each reportable segment. In so doing, based on the separate fields in which it has managed business services to date, it identified three reportable segments: the Finance Business, Automobile Warranty Business, and Auto Mobility Services Business.

An overview of each reportable segment is provided below.

The Finance Business consists of the Credit Finance Business, the Auto Leasing Business, and the Collection Services Business. All three are primarily involved in providing financial services to enable buyers to purchase products and services via installment payments.

The Automobile Warranty Business consists of automobile warranty services, which allow buyers who purchase vehicles through Group dealers and want warranty services to receive, after paying for the warranty, repair services for purchased vehicles free of charge within the specified scope of the warranty.

The Auto Mobility Business consists chiefly of the Auto Mobility Service, which provides services necessary to the operation of the automobile distribution business (such as sale of automobile parts and software, wholesale of automobile, and so on).

The Group does not distribute assets or liabilities among the business segments used by the Board of Directors.

(2) Profit or loss by reportable segment

In general, the Group prepares profit or loss by reportable segment by the same method it applies for consolidated financial statements. "Adjustments and Companywide" profit and loss include profit or loss not allocated to specific business segments and accounting to offset the internal transactions between segments. Pricing for internal transactions between segments are based on market prices.

Starting from this consolidated fiscal year, the Company Board of Directors will evaluate Group business performance for each of the three business segments: the Finance Business, the Automobile Warranty Business, and the Auto Mobility Service Business. Additionally, starting this consolidated fiscal year, the Group will manage profit and loss by segment. Where feasible, profit and loss figures for the previous consolidated fiscal year have been restated, with profit and loss calculated by segment by the same method applied to this consolidated fiscal year.

Cumulative first quarter of the previous consolidated fiscal year (April 1, 2020 to June 30, 2020)

	Reporting segments				Other*1	Adjustments and Company-wide*2	Consolidated
	Finance	Automobile Warranty	Auto Mobility Services	Total			
Revenue							
Revenue from external customers	2,855	964	203	4,022	-	-	4,022

Cumulative first quarter of this consolidated fiscal year (April 1, 2021 to June 30, 2021)

	Reporting segments				Other*1	Adjustments and Company-wide*2	Consolidated
	Finance	Automobile Warranty	Auto Mobility Services	Total			
Revenue							
Revenue from external customers	3,203	1,073	614	4,890	0	-	4,891
Segment profit and loss							
Profit (loss) for the term before tax	657	171	(11)	817	9	(6)	832

*1 The "Other" segment consists of businesses not included in the reportable segments, mainly the computer systems business.

*2 "Adjustments and Companywide" consist mainly of accounting to offset internal transactions between segments and Companywide figures not attributable to specific business segments.

(Important subsequent events)
Not applicable